



Daily Report

East Europe

FBIS-EEU-88-141
Friday
22 July 1988

Daily Report

East Europe

FBIS-EEU-88-141

CONTENTS

22 July 1988

ARMS CONTROL & DISARMAMENT

U.S. Inspectors 'Satisfied' With CSSR Visit [CTK]	1
TV Reports [Prague]	1
Inspectors Arrive in GDR [ADN]	1

BULGARIA

Economic Cooperation Talks With Turkey Open	2
BCP Control Committee Reviews Party Sanctions [RABOTNICHESKO DELO 13 Jul]	2
Reemployment of Displaced Officials Viewed [RABOTNICHESKO DELO 12 Jul]	3

CZECHOSLOVAKIA

Further Trade Talks With EC Held in Brussels [RUDE PRAVO 20 Jul]	5
Results of Warsaw Pact Session Approved	5
Report on 18 Jul CPCZ CC Presidium Session [RUDE PRAVO 19 Jul]	5
CPCZ Presidium Discusses Economic Plan	6
Janak, Shishlin Hold Bratislava Talks	6

GERMAN DEMOCRATIC REPUBLIC

Party, State Bodies Ratify Pact Session Results	7
Fischer Meets With Greek Foreign Minister	7
Finance Minister Delivers 1987 Budget Report [NEUES DEUTSCHLAND 1 Jul]	7
Kessler Marks Anniversary of 'Free Germany' [NEUES DEUTSCHLAND 13 Jul]	14

HUNGARY

Grosz' Statements, Activities in U.S. Reported	21
Interior Minister Interviewed on FRG Visit	22
Daily Comments on Gorbachev's Visit to PPR [NEPSZABADSAG 16 Jul]	22
Slovene SAWP Delegation Visits Vas County	23
Szamos River Pollution Alert Announced	23
Official Comments on River Water Pollution [MAGYAR HIRLAP 16 Jul]	23
Transylvanian Refugees Tell of Conditions [UJ TUKOR 29 May]	24
Red Cross Support for Romanian Refugees [MAGYAR HIRLAP 30 Jun]	29
Daily on 27 June Budapest Demonstration	29
More on PPF Protests Against Romanian Plan [MAGYAR NEMZET 4 Jul]	30
Former Consul Discusses Villages in Romania	30
Results of KISZ Central Committee Session Reported	31
National Conference To Convene This Fall	31
Pozsgay on Need for Conference	31
KISZ Proposes To Reorganize Youth Forum [NEPSZABADSAG 16 Jul]	32
Minister Pozsgay on PPF Tasks, New Position [MAGYAR HIRLAP 30 Jun]	32
MSZMP's Berecz Comments on Political Reform [NEPSZABADSAG 7 Jul]	34
Pozsgay Speaks on Role of Family	34

POLAND

Politburo Meets on Gorbachev, Pact Visits	36
Further Report	37
Statement on Pact Committee Conference [TRYBUNA LUDU 18 Jul]	37
Council of Ministers Approves Special Powers Law [ZOLNIERZ WOLNOSCI 9-10 Jul]	39

Blank Spots, Military Service, Stalinism Viewed [POLITYKA 16 Jul]	41
Polish-Soviet History Report Due in Fall	41
Polish Role in Soviet Projects Examined [DZIENNIK BALTYCKI 12 Jul]	41
Scholars Upset With Slow Inquiry Into Killing [AFP]	43
PZPR Secretary Rakowski Interviewed [Vienna VOLKSSTIMME 9 Jul]	43
Economists Outline Government Failings [TYGODNIK POWSZECHNY 19 Jun]	44

ROMANIA

Economic Commission With CSSR Opens	51
Economic Commission Session With Iran Opens	51
Ceausescu Meets Iran Plan Head	51
Ceausescu Receives Jamaican Envoy's Credentials	51
Dobrescu, Stoian Meet Zairian TU Delegation	52
Zairian Visit Summed Up	52
Modern Merchant Shipping, Cargo Handling Noted	52

YUGOSLAVIA

Jansa Trial Adjourned Until 25 Jul	53
SFRY Presidency Endorses Trial	53
Trial President Makes Statement	53
Slovene Presidency on Trial	54
Trial 'Harms' Army, Prestige	55
Trial Watchers 'Dignified, Calm'	55
Mikulic Proposes Government Changes	55
Presidency Statement on Economy, Iran-Iraq War	55
Commentary Assesses Situation in Serbia [Volfand in DELO 20 Jul]	56
Daily on 'Destabilizing Vojvodina' [Paripovic in VJESNIK 18 Jul]	57
LCY CC Presidium Statement 'Not Endorsed' [POLITIKA 21 Jul]	59
Operational Program Published	59
Preparations Made for Plenum	62
Joint Assembly Session Set	63
Racan Urges Social Reform	63
Comparison of Items on LCY Analysis of Kosovo	64
Milosevic Grants Interview to NIN [NIN 3 Jul]	64
'Disputes' of Serbia, Provinces Viewed [Rakocevic-Novakovic in OSLOBODJENJE 19 Jul]	74
Krekcic Assesses Situation in Borovo Plant [BORBA 8 Jul]	75
Diplomatic Ties With Morocco Restored	76
Dizdarevic To Visit Nigeria 28-31 July	76

U.S. Inspectors 'Satisfied' With CSSR Visit
LD2107121788 Prague CTK in English
1146 GMT 21 Jul 88

[Text] Prague July 21 (CTK)—After arriving at Prague's Ruzyně Airport earlier today, the U.S. inspectors agreed with Soviet officers accompanying them on a precise program of inspection activities.

In harmony with adopted documents the Soviet side then controlled inspection apparatuses. Asked by CTK about the result, Colonel Ivan Abrosimov said that all aids corresponded to the provisions of the INF Treaty.

After talks with Soviet officials and representatives of the Czechoslovak Foreign Ministry, the Defence Ministry and other bodies, the inspectors accompanied by Soviet and Czechoslovak officials left for the site of the former missile base at Hranice, North Moravia. Head of the group of U.S. inspectors Colonel Laurence G. Kelly told CTK before leaving that the U.S. side was satisfied with all conditions created by the Soviet partners and the Czechoslovak side.

He further said that the group had been told by the Soviet side that there are no objects subject to the provisions of the treaty at Hranice. He added that whenever they received such a notice from the Soviet side they saw for themselves that it was true. He said he expected that no such objects are at Hranice but the inspection has to be carried out so that both respected. This step can only strengthen mutual confidence and understanding, Colonel Kelly said.

TV Reports

LD2107203088 Prague Television Service in Czech
1730 GMT 21 Jul 88

[Text] As reported in yesterday's television newsreel, the United States has asked for an inspection of the former Soviet missile base at Hranice. In accordance with the Soviet-U.S. Treaty on the Elimination of Intermediate- and Shorter-Range Missiles, Ruzyně airport in Prague is the point of entry for the group of experts in our territory.

[Unidentified reporter] [Words indistinct] Hercules of the U.S. Armed Forces is bringing a 10-member group of U.S. inspectors which will carry out the first inspection on the territory of Czechoslovakia. First to leave the aircraft is the leader of the group. He greets the representatives of the Czechoslovak People's Army and representatives of the Soviet Army and the Soviet Embassy in Czechoslovakia. Then he invites the other members of the inspection group to leave the aircraft and introduces them individually to the Czechoslovak and Soviet hosts.

[Unidentified interviewer] What will you be inspecting in Czechoslovakia?

[Unidentified speaker in English with superimposed Czech translation] We are coming to carry out a basic inspection of the Soviet missile base on Czechoslovak territory. We are coming to verify whether or not certain pieces of the equipment, liable to the treaty, remain deployed at this base.

[Interviewer] When will the inspection start? Will it be today?

[Speaker] In accordance with the treaty, the inspection will start within 4 hours of our arrival by air, that is, later today.

[Reporter] And here we are with the U.S. inspectors and their Czechoslovak and Soviet entourage in the barracks at Hranice in Moravia where Soviet operational tactical missiles were previously based. The U.S. inspectors were first briefed in detail on the original deployment of the Soviet missiles in their ready positions, then in the barracks, in the stores, and in the entire area of the previous deployment they verified for themselves that the units and the weapons have been removed. A total of 39 Soviet SS-12 operational tactical missiles, together with their 24 mobile launch pads, had been deployed at Hranice since 1983. It was the only base of Soviet nuclear missiles on Czechoslovak territory, liable to the stipulations of the 8 December 1987 Soviet-U.S. Treaty on the Elimination of Intermediate- and Shorter-Range Missiles. As is known, the USSR did away with this base by mid-March, that is, prior to the ratification of the above-mentioned treaty, as a unilateral act of good will. According to the stipulations of the Soviet-U.S. treaty, the U.S. inspectors were verifying this directly.

Inspectors Arrive in GDR

LD2207090888 East Berlin ADN International Service
in German
0733 GMT 22 Jul 88

[Text] Berlin, 22 Jul (ADN)—A U.S. inspection group arrived in the GDR today. It was received at Leipzig-Schkeuditz Airport by representatives of the Foreign Ministry, the Ministry of National Defense, and of the Moscow Center for the Reduction of Nuclear Risks.

This is the second visit by U.S. inspectors to check the implementation on GDR territory of the Soviet-U.S. Treaty on the Elimination of Intermediate- and Shorter-Range Missiles. From 18-20 July 1988, two groups inspected the former Soviet missile sites at Waren, Wokuhl, Bischofswerda, and Koenigsbrueck, at which SS-22 missiles were stationed until 25 February 1988.

In accordance with the GDR-USSR-CSSR agreement on inspections in connection with the INF Treaty, the GDR will again support the U.S. inspectors in their work.

Economic Cooperation Talks With Turkey Open

AU2107120288 Sofia BTA in English
1109 GMT 21 Jul 88

[Text] Sofia, July 21 (BTA)—“We hope that here in Sofia we will be able to identify specific areas of economic cooperation between Bulgaria and Turkey and will thus carry on the dialogue started in May in Ankara,” Mr Tansug Bleda, Turkey’s deputy foreign minister for economic affairs, told a BTA reporter here today. “We expect that the proceedings will be favorable for both sides and for Balkan cooperation as a whole, too,” he went on to say.

Mr Bleda is here for the second session of the Joint Bulgaro-Turkish Economic Commission. The Bulgarian cochairman of the commission is Mr Khristo Khristov, minister at the Ministry of Foreign Economic Relations. He told the plenary sitting that the first session in Ankara has enabled the participants to get an idea of the opportunities for a positive promotion of bilateral economic cooperation. Now the desire is to define the specific areas of future work.

The commission will hold two plenary sittings today and tomorrow, at which experts of the two countries will discuss questions concerning cooperation in trade, telecommunications, transport and other sectors.

Simultaneously with the session of the economic commission, the Joint Bulgaro-Turkish Group on Political Issues, which first met in Sofia last May, is sitting in Ankara. At the Belgrade Meeting of the Ministers for Foreign Affairs of the Balkan Countries in February 1988, Mr Petur Mladenov and Mr Mesut Yilmaz signed a protocol on the promotion of relations of goodneighborliness, friendship and cooperation. Two working bodies were established under the terms of the protocol: an economic commission to determine specific measures to speed up the cooperation in the field of economics, trade, tourism, technology, transport, communications and culture, and a working group on political issues set up with a view to finding a solution to the existing problems in bilateral relations.

BCP Control Committee Reviews Party Sanctions

AU1407170288 Sofia RABOTNICHESKO DELO
in Bulgarian 13 Jul 88 p 6

[Stefan Arabadzhiev report on a meeting of the BCP Central Control-Auditing Commission Bureau, held in Sofia: “Criticism, Self-Criticism, and Glasnost”—date not given]

[Text] At its last meeting, the Bureau of the BCP Central Control-Auditing Commission discussed a report on the results of an investigation conducted in connection with the work of party organs and organizations, as well as

that of local BCP control-auditing commissions in Khaskovo Oblast pertaining to an increase in criticism, self-criticism and glasnost during the period following the 13th BCP Congress, the 1987 July Plenum of the BCP Central Committee, and the BCP National Conference.

Favorable prerequisites exist in Khaskovo Oblast for an increase in criticism, self-criticism, and glasnost. The party organs and organizations have had 5,288 critical remarks submitted to them in connection with discussions on important problems. A large number of critical remarks in connection with the application of scientific-technical achievements and new technologies is characteristic of the party work in plant committees. The investigation also noted an improvement in dealing with workers’ proposals.

Yet serious shortcomings and weaknesses exist as well. Numerous facts provide evidence that criticism and self-criticism have not become an important incentive for restructuring in Khaskovo Oblast. The lack of a dynamic pace in the development of self-criticism was pointed out as particularly striking. Criticism is usually directed toward shortcomings and mistakes that have occurred outside the respective party organs and organizations. Particularly indicative is the case of the Bureau of the Dimitrovgrad Municipal BCP Committee where 30 percent of the critical remarks were addressed toward more highly placed economic and state leading bodies; 50 percent were against other organs and organizations; while only 20 percent of the critical remarks were related to the Dimitrovgrad Municipal BCP Committee’s own shortcomings. In addition to this, in the majority of cases the criticism made in Khaskovo Oblast is anonymous. Negative phenomena are criticized in general terms, without their causes being analyzed.

No necessary conditions and guarantees for the expansion of criticism have so far been created, and 34 cases of suppressed criticism were established. In most cases, managers from the economic sphere and leading officials from the educational sector have shown a haughty and disparaging attitude toward the critical remarks addressed to them by Communists, or pretend to agree with them without adopting any measures for a positive change. In most cases, people who submit critical remarks are considered to be “controversial personalities” or pessimists. The most frequent reason for anonymous criticism is that those who submit critical remarks are economically dependent upon those whom they criticize (this applies to the situation in Dimitrovgrad, in particular), or that people are afraid of being persecuted for their criticism (as is the case in Kazunluk).

The investigation has established that a trend toward an increase of glasnost, within the party organs in particular, prevails in Khaskovo Oblast. During the period under review, 17,946 cases were noted in which important problems of party life were publicized, but, as a rule, the decisions and critical remarks were made accessible

only to the aktiv and to the party organization itself. The mass media are not sufficiently involved in these activities, and public control in connection with the acceptance of new party members is unsatisfactory, the selection of candidates is not sufficiently publicized.

The petitions and objections of sanctioned party members were examined at the aforementioned meeting. The BCP membership of Racho Dimov Uzunov was restored. Born in Vinograd village, in the municipality of Gorna Oryakhovitsa in 1908, he distinguished himself by outspoken, antifascist activities, for which he was often confronted by the fascist authorities. Following 9 September 1944, he became mayor of Gorna Oryakhovitsa, nominated by the Fatherland Front. He was a member of the basic party organization until May 1945, following which Racho Uzunov's BCP membership was no longer confirmed, without any explanation. To this day, all his efforts to clarify the question of his lost party membership have been vain. At the aforementioned meeting, the Bureau of the Central Control-Auditing Commission adopted a decision by which Racho Uzunov's party membership has been confirmed and his uninterrupted period of service to the BCP since 1941 is recognized. Through to other decisions, the BCP membership of Petur Todorov Petrov and of Roza Evtimova Petrova has been confirmed. The decision of the Plovdiv Municipal BCP Control Auditing Commission confirming the sanction of "expulsion from the party" against Ivan Stoyanov Arnaudov has been amended to "severe reprimand with warning." The sanction of "censure" imposed by the Bureau of the Sofia City BCP Control-Auditing Commission against Maria Petrova Vasileva was amended to "reprimand" and, simultaneously, the sanction of "reprimand" has been cancelled. In the case of Nenko Kostov Berberov, the decision to confirm his "expulsion from the party" was amended to "censure", and the sanction of "censure" was simultaneously cancelled.

The Bureau of the BCP Central Control-Auditing Commission discussed and provided information on the result of an investigation concerning the closing of accounts and the handing over to the BCP of all files, equipment, and buildings belonging to the former okrug and municipal BCP committees that were recently closed. The Bureau adopted the respective decisions on this question.

Reemployment of Displaced Officials Viewed
AU1407143988 Sofia RABOTNICHESKO DELO
in Bulgarian 12 Jul 88 pp 1,4

[Interview with Kiril Zarev, chairman of the Party-Government Commission for Cadre Reassignment, by Dimitur Deliyski, representative of the editorial board of RABOTNICHESKO DELO: "Reassignment of Released Cadres—Depending on Training and Society's Need"—date and place not given]

[Text] In recent months, the editorial offices of RABOTNICHESKO DELO have received many letters from citizens asking a number of questions connected with the

principles and working approaches in relation to the dismissed leaders, specialists, and employees. Dimitur Deliyski, representative of the editorial board, interviewed Kiril Zarev, chairman of the Party-Government Commission for Cadre Reassignment [and secretary of the BCP Central Committee until June 1986], to shed some light on some aspects of this problem.

[Deliyski] Comrade Zarev, the decisions of the July 1987 Plenum of the BCP Central Committee have brought about profound changes in the territorial system of administration, and a number of ministries and other administrative structures have been shut down. These changes affected, and could not have failed to affect, many people, and presented the problem of their fate concerning their professions and future employment. What are the standpoints adopted by the commission, of which you are the chairman, in resolving the problems that have arisen?

[Zarev] Let us first of all elucidate the problem. In the process of restructuring in Bulgaria, qualitative changes in the system of administration are being carried out. The strategic goal of these changes may be summed up in the most general terms as follows: to attain new qualitative growth based on the latest achievements of scientific and technical progress; to ensure that restructuring creates real conditions for a successful transition to self-management; to ensure that the organs of self-management develop the entire system of activity for providing quality services to the population; to ensure that the major portion of administrative services are obtained in the places where people live; to develop the application of modern methods of providing services to the people; and, last but not least, to make a decisive step in overcoming bureaucracy in the administrative system. The okrug organs of the people's councils, BCP, and public organizations have been disbanded. Moreover, four councils under the Council of Ministers and six central departments have been closed down. The goal set in restructuring this activity has led to the setting up of a modern system of self-managing municipalities and townships. These have been invested with the right and responsibility to discuss and resolve the major part of the problems of the self-managing territorial communities. Three functional ministries of a new type have also been created.

[Deliyski] Very many and different figures of the numbers of layoffs have been rumored throughout the country. What is the true picture?

[Zarev] These structural changes and qualitative improvements have led to the release of over 30,000 leaders, specialists, and service staff.

[Deliyski] Although this figure is lower than that rumored, the number of those dismissed is still far from small.

[Zarev] These people must be helped in finding employment where they can make the fullest use of their knowledge and experience.

[Deliyski] What was the approach adopted in resolving the task of finding employment for them?

[Zarev] The complexity of the problem is that the new work had to correspond as fully as possible to the education, level of training, and practical experience of the released cadres. Only in this way is it possible to meet people's requirements, make proper use of the effect produced by the reduction in the administrative apparatus, and fully utilize the cadres in new jobs. Council of Ministers Decree No. 50 created the necessary conditions for this. A period of 1 year was fixed for reassigning the dismissed cadres; during this period they received their salaries for their work and continued to work on tasks for which they had been trained. A careful study was completed of the vacant jobs in all spheres of social life. Systematic work was developed on informing the released cadres about the employment opportunities, and meetings with the leaderships of the organizations that had vacant positions were organized for them.

[Deliyski] What are your impressions, did the interests of the released cadres coincide with what they were offered?

[Zarev] In appointing the released cadres to new posts, complete voluntariness was preserved, as well as matching the lawful claims of the specialists with those of the organizations that took them on as employees. As a result of this work, which was carried out by the local party and state organs, it was possible to place people in jobs according to their training and interests. Those who took on the released cadres strengthened their organizations with well trained specialists.

The party and government made special efforts to preserve the labor remuneration of the cadres in their transfer to their new jobs. What is more, those people who went to work in enterprises engaged in material production received 10 percent more than the established pay rate. A small number of people, who remained engaged in administrative work in the former okrug towns and in Sofia, lost only certain supplementary remuneration.

[Deliyski] Can we already point out the real results from the reassignment of the cadres released through the reorganization of the territorial system, functional ministries, and other departments?

[Zarev] The largest number of cadres were released by the closing down of the okrug state, party, and social organizations and by the cuts in the administrative apparatus of the agro-industrial complexes, a total of about 28,000 people.

In accordance with their professional qualifications and training, about 8,000 persons were found employment in enterprises in the material sphere, half of these being employed in agricultural brigades. Of this number, more than 700 highly qualified leaders with good economic experience were selected to join the leaderships of enterprises and combines engaged in material production. This is a very positive result of the reduction in the administrative apparatus. Approximately 6,000 well-trained specialists started work in enterprises and brigades involved in material production. This too is a very important and productive result from the reorganization. More than 1,300 technical and service staff also started work in the material sphere and provided assistance in solving important problems in the enterprises and people's councils. These are cadres that have to work out the strategy for developing the territorial units and assist the work of the municipal organs in establishing self-management.

Almost 11,000 people were elected or employed in the municipal party and state organs. Of these, over 1,100 were assigned to the townships, where there is, as in the smaller municipalities, the greatest need for highly qualified cadres and specialists.

The social organizations have concentrated their activities in the municipalities, and about 4,000 people were directed there.

The reassignment and finding of employment for the cadres from the former okrugs have been completed.

Work is now starting, and should be completed by the end of October, on reassigning the cadres from the closed functional ministries and departments and from the units that provided trade and industrial services that were attached to the former okrug people's councils. The majority of these cadres will mainly be reassigned, depending on their professional qualifications, to the sphere of material production and services; where necessary, courses will be held to retrain these cadres or raise their professional qualifications.

Further Trade Talks With EC Held in Brussels

AU2207110088 Prague RUDE PRAVO
in Czech 20 Jul 88 p 7

[CTK report: "CSSR-EEC: Trade Negotiations"]

[Text] Brussels (CTK reporter)—Another round of official talks between the delegations of the CSSR's Federal Ministry of Foreign Trade and the Commission of European Communities took place in the Belgian capital on Tuesday [19 July]. The representatives of the two sides discussed an agreement on trade in industrial products which should enhance mutual trade between Czechoslovakia and the European Community, and also serve as the foundation for setting up the first official mixed agency.

The representatives of Czechoslovakia and the Commission of European Communities had already achieved considerable progress in unifying their views on the agreement under preparation in the preceding rounds of talks, and are currently striving to overcome the differences of views about how the agreement could deal with the possibility of removing the quantitative restrictions levied on goods from Czechoslovakia by the EEC.

Results of Warsaw Pact Session Approved

LD2107145288 Prague CTK in English
1340 GMT 21 Jul 88

[Text] Prague July 21 (CTK)—The Czechoslovak Communist Party Presidium and the Czechoslovak Government today approved the stand taken by the Czechoslovak delegation at the Warsaw session of the Warsaw Treaty Political Consultative Committee held on July 15 and 16.

The Communist Party Presidium and the government confirmed their support for the peace efforts of the Soviet Union aimed at the achievement of further concrete agreements in the sphere of nuclear disarmament.

They expressed support for the determination of all the Warsaw Treaty member states to make every effort to further develop positive processes in Europe and the world, to strengthen peace and security, to create the atmosphere of confidence, dialogue and cooperation.

They underlined the significance of the statement of the Warsaw Treaty member states on talks on conventional arms and troops reduction in Europe. In this connection they voiced support for a speedy conclusion of the Vienna follow-up meeting by the adoption of a document which would lead to the opening of talks on disarmament in Europe in 1988.

They appreciated the attention paid by the Warsaw session to ecological security and environmental protection.

They confirmed that Czechoslovakia will continue to play an active role in expanding the coordinated foreign political influence of the Warsaw Treaty on strengthening the unity and cohesion of the socialist community. They stated that Czechoslovakia's concrete contribution to this political course is the initiative aimed at the creation of a zone of confidence, cooperation and good neighbourly relations on the line dividing the Warsaw Treaty and NATO states.

Report on 18 Jul CPCZ CC Presidium Session

AU2007121288 Prague RUDE PRAVO in Czech
19 Jul 88 p 1

[“Report on a CPCZ Central Committee Presidium Session”]

[Text] Prague—At its session on Monday [18 July] the CPCZ Central Committee Presidium discussed the stimuli arising from the 19th All-Union CPSU Conference for our party's activity. It entrusted the appropriate responsible officials with the task of applying these to our own conditions in accordance with the conclusions of the seventh and ninth CPCZ Central Committee sessions.

The Presidium discussed the principles for the comprehensive application of restructuring in the agricultural and food complex. This involves the 17th CPCZ Congress task instructing the agricultural and food complex to ensure the people's rational nutrition permanently, economically and in good quality and continue increasing self-sufficiency in foodstuffs. The draft of the economic mechanism of the agricultural and food complex creates conditions for the realization of these objectives. The draft proceeds from the Directive for Ensuring the Comprehensive Restructuring of the CSSR Economic Mechanism, from the laws on state enterprises and on agricultural cooperatives, and takes into account the objectively existing special features. The draft, in general, pursues increasing the independence of enterprises and their interest in applying scientific-technical findings and developing socialist entrepreneurship. It strengthens the responsibility of enterprises for the final results of management in accordance with the material interests of the working people.

The agricultural and food complex currently produces about one-fifth of the Czechoslovak economy's national product. The importance of foodstuffs, as one of the basic components of the standard of living, underscores the position of these branches of the national economy in society's social and economic development. This is also evidenced by the almost 50-percent share of the production of the agricultural and food complex in the retail trade turnover. Experience of recent years affirms the highly positive influence that having a smooth supply of foodstuffs for the domestic market has on the stabilization of the whole national economy.

The Presidium acknowledged the resolution of the CSSR Government of 30 June, in which the government approved the procurement prices and other economic instruments in agriculture to go in effect on 1 January 1989, and the rules of the economic mechanism of the agricultural and food complex. (The appropriate document will be published.) At the same time it assessed a proposal for restructuring the management of agriculture while respecting the adopted principle of two-tier management and the specific nature of agricultural production. It entrusted Communists in the Governments of the CSSR, CSR, and SSR with the task of discussing the proposal so that it could go in effect on 1 January 1989.

The Presidium approved Comrade Jaroslav Jenik, until now secretary of the East Bohemian CPCZ Regional Committee, for the post of head of the CPCZ Central Committee's Propaganda and Agitation Department.

The Presidium also discussed some other issues concerning domestic and international policy.

CPCZ Presidium Discusses Economic Plan

*LD2107071688 Prague CTK in English
1523 GMT 21 Jul 88*

[Text] Prague July 21 (CTK)—The Czechoslovak Communist Party Presidium dealt today with the draft state plan of national economic development in 1989, preparations of the 1990 state plan and the draft monetary plan for 1989.

In general, the Presidium considers the draft 1989 plan open in many spheres. In 1989, a number of new aspects of the economic mechanism is to be gradually introduced. The preparation of the plan will therefore require close cooperation between the central bodies and enterprises with the aim to ensure the fulfilment of tasks better than in the previous years of the current 8th five-year plan.

The Presidium put stress on the need to increase the innovatory work, on economizing, and on the need to supply the home market with the necessary assortment of goods as well as on the modernization of the processing industry.

The Presidium discussed a report of the Central Control and Auditing Commission on the fulfilment of tasks arising from the conclusions of the 17th for the sphere of the railway transport [sentence as received]. The results of the control showed that the situation in railway transport has not been improving and that the basic tasks are not being fulfilled. No progress has been made in the field of passenger transport. The culture of travelling, i.e. the quality of services and the cleanliness of railway carriages and railway stations, remains on a low level. Cargo transport copes with transportation of material but the quality of its services is also low especially as regards fluency and rapidity of transport.

The Presidium stressed that a better situation in railway transport can be achieved by concerted efforts of the ministry and by a better work of Communists working in the leading bodies of the Federal Ministry of Transport and Telecommunications and those central organs which participate in the development of railway transport.

The Presidium discussed and approved the course and results of the official friendly visit to Czechoslovakia by Soviet Premier Nikolay Ryzhkov at the beginning of this month.

It also heard a report on the visit to the USA by a group of Czechoslovak deputies, led by deputy chairman of the Federal Assembly, on June 26-July 1.

Janak, Shishlin Hold Bratislava Talks

*LD2207102288 Prague Domestic Service in Czech
0900 GMT 22 Jul 88*

[Text] Ignac Janak, member of the CPCZ Central Committee Presidium and first secretary of the CPSL Central Committee, met in Bratislava today with Nikolay Shishlin, deputy head of the Propaganda Department of the CPSU Central Committee. They discussed the political systems in Czechoslovakia and the USSR. Ignac Janak briefed his guest on party activity in fulfilling the resolutions of the seventh and ninth CPCZ Central Committee sessions and the following sessions of the CPSL Central Committee. He stressed the high inspirational value of the 19th All-Union CPSU Conference to our party in its efforts to develop the process of democratization in our country. Nikolay Shishlin noted the topicality of the requirement adopted at the Soviet Communists conference urgently to embark upon practical implementation of the adopted resolutions.

Party, State Bodies Ratify Pact Session Results

*LD2107182788 East Berlin ADN International Service
in German 1600 GMT 21 Jul 88*

[Text] Berlin, 21 Jul (ADN)—The GDR has helped the gradual strengthening of the positive tendencies in international relations with great initiative and with its predictable and constructive policy of dialogue and cooperation. This was stressed in a joint declaration of the SED Central Committee Politburo, the GDR Council of State, and the Council of Ministers on the results of the Warsaw Pact Political Consultative Committee conference held in Warsaw 15-16 July. In the future, too, the GDR will contribute with all its strength to the further improvement of international relations with the objective of making the path toward improvement irreversible, it is stated. At the same time, it cannot be overlooked that the opponents of any kind of disarmament are reinforcing their activities.

The document goes on to state that the Warsaw Pact countries are now directing themselves without delay toward further steps for the radical reduction of military potential while maintaining equality and equal security. This concerns the 50-percent reduction in the USSR's and the United States' strategic offensive weapons with strict observance of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, a reduction in the number and eventual halting of nuclear weapon tests, the complete banning and destruction of chemical weapons, and the reduction of armed forces and conventional armaments from the Atlantic to the Urals.

The Politburo, the State Council, and the Council of Ministers especially welcomed the conception on conventional disarmament in Europe, produced by the Warsaw Pact states, as a constructive step toward the preparation of future negotiations. They expressed their expectation that the NATO states will react positively to it, the declaration continues.

The allied socialist states forcefully called for the inclusion of tactical nuclear weapons in the disarmament process in Europe. A quick solution to this problem would contribute to increasing security on the continent, and considerably strengthen mutual trust in the "European house."

The declaration states that the meeting emphasized with satisfaction the increasing significance of the proposals on disarmament and strengthening peace on a regional basis. The GDR will continue with resolution and consistency the initiatives on the creation of a nuclear weapons-free corridor, a chemical weapons-free zone, and a zone of trust and security in central Europe. It is also urgently necessary to create a comprehensive system for ecological security. All European states could work out internationally binding norms and principles for this before 1992.

The GDR will help with all its strength to realize the declared steps on improving cooperation between fraternal states taken at the meeting of the Political Consultative Committee.

Fischer Meets With Greek Foreign Minister

*LD2107191488 East Berlin ADN International Service
in German 1439 GMT 21 Jul 88*

[Text] Athens, 21 Jul (ADN)—Oskar Fischer and Karolos Papoulias, the foreign ministers of the GDR and Greece, started talks in Athens today in an open-minded and constructive atmosphere. They underlined the usefulness of regular meetings for mutual understanding of their respective viewpoints. Relations between the two states are developing excellently and free of problems. Oskar Fischer stressed that the GDR greatly values regular political dialogue with Greece as well as cooperation in the economy and culture. Great attention must also be paid in future to the intensification of cooperation. Foreign Minister Papoulias called for the continuation of regular political exchange of views in the economy as well as in science and technology.

Great attention was paid in the talks to the discussion of international questions. Oscar Fischer drew attention to the continuing complexity and inconsistency in international matters. The spectrum stretches from the encouraging start to the destruction of intermediate-range nuclear weapons provided for in the Soviet-U.S. Treaty on the Elimination of Intermediate- and Shorter-Range Missiles, to the continued high level of arms and incessant shows of military strength, the tragic consequences of which are visible in the Gulf region.

Foreign Minister Papoulias stressed that the positive tendencies in international matters of the recent past have been registered with great satisfaction by Greece. Everywhere in the world, in East-West relations as well as in numerous regional conflicts, successful efforts give hope of finding acceptable solutions in a peaceful manner.

At a dinner afterwards, both ministers stressed in their toasts the usefulness of international dialogue in the strengthening of peace and cooperation for mutual benefit.

Finance Minister Delivers 1987 Budget Report

*AU1207134788 East Berlin NEUES DEUTSCHLAND
in German 1 Jul 88 pp 4, 5*

[Speech by Ernst Hoefner, GDR Minister of Finance, at the GDR People's Chamber session on 30 June: "Good Work Pays Off for the Whole of Society and for Every Individual; Ernst Hoefner, Minister of Finances, on the 1987 Budget"]

[Text] Esteemed Comrade General Secretary, esteemed Comrade President, esteemed Deputies:

The fundamental guidelines that were given by Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, in his speech to the first secretaries of the kreis leaderships, contain the tasks for the further successful implementation of the economic strategy of the 11th SED Congress.

The current 1987 budget account is a reflection of how the GDR has progressed along the path of the main task of the unity of economic and social policy as the core of the economic strategy. On the basis of the national economy's increased performance and labor productivity and the further reduction of unit input, the profits and the total net income of state-owned combines and enterprises grew more quickly than the national income. Payments to the state budget, which increased by M10 billion in 1987, represented the main source of finance for the planned increase in the tasks of our socialist state for the policy of the well-being of the people and the safeguarding of peace.

Even Greater Transparency of State Finances [subhead]

Now more than ever before it has become clear how correct the decisions of the Seventh SED Congress were to consistently embark on the course aimed at comprehensively intensifying production.

The sixth meeting of the SED Central Committee confirmed that there was steadily growing success in the further shaping of new-quality economic growth, which is determined by the broad and effective utilization of key technologies. At the same time this leads to high financial results.

Esteemed Deputies:

It is in accordance with the unity of economic and social policy when progress in production is used to further improve people's lives. Good work for society also paid off for the individual in our country. The present budget account reflects this in many ways. It shows to the public in a comprehensive manner what extensive resources were earned through the working people's industrious work and what they were used for on the basis of the plan.

Bearing in mind the assignment of the 11th SED Congress, this total account of the implementation of revenue and expenditure of the budget has been presented in much greater detail as compared with previous years. The link between the earning and utilization of the national income by the individual areas and branches of the national economy becomes apparent. The transparency of our state finances and at the same time the room for democratic participation by GDR citizens increases steadily. Initiatives aimed at increasing performances and at high efficiency as a contribution to the growth of national income assume a major role.

In 1987 a good foundation was laid for this. Produced national income, for example, rose to more than M261 billion.

The 4-percent growth, or about M9 billion, is attributable especially to industry, which contributed M6.6 billion, the building industry, with M0.8 billion, and domestic trade, also with M0.8 billion. In the sphere of industrial production, net production increased by 6.3 percent. At the same time labor productivity rose 6.6 percent, which corresponds to a more rapid growth than in production.

This demonstrates the working people's great efforts in the struggle to fulfill the plan through socialist competition, organized by the trade unions.

The significant share of the FDJ, the youth brigades, and youth research collectives in making the economic strategy of the 11th SED Congress more and more a practice in our country's economic life is to be emphasized as well.

Development of a New Level of Cooperation With the Soviet Union [subhead]

At the sixth SED Central Committee session the development of a qualitatively new level of economic and scientific-technological cooperation between the GDR and USSR was confirmed. This cooperation plays a central role in further implementing the economic strategy of the 11th SED Congress. At the same time economic and scientific-technological cooperation with the other socialist countries will be strengthened.

Esteemed Deputies:

Performance growth and higher efficiency made possible a successful result for the 1987 state budget plan. The high work results of millions of working people resulted in revenues totalling M260.4 billion in 1987, thus fulfilling the plan 101.6 percent. Overall expenditure amounted to M260.2 billion.

Thus, the supreme people's representative body has been presented with a budget account in which revenue exceeded actual expenditure by M282 million. Thus, the surplus stipulated in the law on the 1987 state budget plan was exceeded and the stable development of the GDR state budget continued.

Esteemed Deputies:

The GDR's financial policy is based on the principle that only that which has been earned beforehand can be distributed and consumed.

Our country's economic strength and, as a result, the opportunities for further social progress are determined primarily in the sphere of material production. This entails exacting demands regarding all areas of the national economy to increase the contribution to the national income.

The far-reaching deepening of the intensification in production and comprehensive rationalization, renewal, and upgrading, the reduction of the specific consumption of energy, raw materials, and other materials, as well as the saving of working time through scientific-technological measures are the decisive sources for this. Reduced costs and increased profits of the combines, enterprises, and cooperatives, as well as the payments to the state resulting therefrom are proof of the economic efficiency of these measures for the national economy. They are the decisive basis for providing the required means to successfully continue the course of the main task.

Cost Reduction Exerts a Decisive Influence on Increase of National Income [subhead]

With a total of 87 percent, the state-owned combines and enterprises, particularly in industry and the construction sector, account for the most significant share in the overall revenue of the GDR's budget. The profits of the state economy, which continued to rise in 1987, are the result of the increased production of goods that show the required quality and meet the demands. Profits and national income are the greater the lower the expenditure is and the more efficient the work carried out. In 1987 the costs in industry and construction were reduced by 1 percent.

Special mention is to be made of the contributions of combines such as microelectronics in Erfurt, chemical installation construction in Leipzig-Grimma, the "Werner Lamberz" printing combine in Leipzig, and household appliances in Steinbach-Hallenberg. These combines achieved cost reductions of over 3 percent. This is a remarkable and above-average result.

Esteemed Deputies, please allow me to mention a few factors that lead to such economic success.

First of all, the director generals and works managers in these combines allow themselves to be guided by the principle that the tasks aimed at reducing costs represent in a concentrated manner the national economy's demands regarding the economy of the combines and enterprises. Aware of the fact that their fulfillment is of fundamental importance for the contribution to the increase of the national income, they organize their leadership in such a way that production, technology, the use of energy and materials, and the reduction of costs are made effective in close interrelationship.

Second, the fundamental experience must be stressed that the main source for the struggle to lower costs lies in the economic evaluation of the results from science and technology.

It has been clearly demonstrated that the foundations for tangible results in the reduction of costs for raw materials and other materials are already laid by setting the corresponding scientific-technological tasks, primarily through measures aimed at a lower weight of the products and through refining processes. Measures directed toward the economical and careful use of energy sources are of special significance. It is particularly the more economical use of energy that represents one of the major reserves for reducing the unit input, and thus for the growth of the national income.

At the same time, a tangible reduction in the expenditure of living work and a reduction of costs can primarily be achieved through science and technology.

Third, the factors for successful cost management include that the tasks aimed at reducing costs are considered assignments to actively bring about changes. Cost management is directed toward achieving an improved relationship between expenditure and results in all stages of the reproduction process. In concrete terms this leads to growing profits and a higher export profitability.

The work in the VEB plate glass in Torgau, for example, is determined by this approach. Its general manager leads the struggle for lower costs. He establishes indivisible links between the demands concerning the development of the structure and products and high economic results from science and technology. In this, tasking workbooks and renewal passes assume an important role. By adopting such a style of leadership, costs were M12 million lower than planned in 1987, and a renewal rate of 36.5 percent was achieved in production and an increase of over 17 percent in labor productivity. In 1988, too, all main quality indicators of the combine's plan have been fulfilled every month.

The construction workers, too, have gained rich experience in this field. The civil engineering combine in Erfurt, for example, has comprehensively fulfilled and overfulfilled the 1987 performance targets through purposeful scientific-technological and production-organizational measures. The standards for the use of material were consistently observed. As compared with the plan, a surplus profit of 12 percent was achieved. If one summarizes the results that have been obtained, it turns out to be imperative that the struggle for lower costs and rising profits, as the contribution to national income, must be the most important leadership task in all combines and enterprises and in the state organs.

Index Figures Are Broken Down to Include Even the Brigades [subhead]

The best experiences of cost management have to be utilized comprehensively, and tested methods of socialist industrial management applied systematically.

For example, work with the cost accounting book and the balanced accounting of cost reductions achieved in socialist competition gain in importance. Precisely the cost accounting book informs in mark and pfennig about the costs in every area of work, in other words, it informs about how economical the management is. It gives socialist rationalization new impetus and shows ways to organize the work process of the whole enterprise more effectively. The connection is obvious: The more effective the working people's cost accounting books are in this direction, the safer the foundation is for the state budget on the whole and for economic cost accounting of combines and enterprises.

It is at the same time an important instrument to implement socialist democracy in practice in everyday life. The "Hans Beimler" locomotive construction and electrotechnical combine in Hennigsdorf has good experience, for example. Here the cost index figures are broken down to include the brigades. Thus every brigade member knows the costs that can be influenced by him. That contributes substantially to reducing the costs of the combine on the whole to the planned necessary extent, and making profits in the amount required for the planned payments to the state as well as to the assets of economic cost accounting.

The Council of Ministers stresses that with the transition to computer-aided industrial management, new opportunities have been created to develop the cost-profit thinking more strongly because cost accounting, cost accounting books, as well as preliminary calculation and recalculation are given a more current informational value.

Esteemed Deputies!

To generalize the best experiences is all the more important because a number of combines have not achieved the cost reductions planned for 1987 and have failed to transfer profits to the state. Essential reasons for that were in particular the insufficient utilization of scientific-technological results and insufficient progress in the rationalization of production.

The Council of Ministers has therefore stressed that the basic task for the comprehensive plan fulfillment in 1988 is to systematically and lastingly reduce the partly existing unjustified differences in observing the cost plan and fulfilling the profit plan. In the interest of a high growth of the national income, the development of losses must be prevented from the start.

That holds true in particular for those costs that result from rejects, work to be redone, and warranties. It also applies to losses resulting from discontinuous production, too high stocks, too high expenses for storage and transportation, and from other costs caused by poor management.

Important Effects Resulting From the Use of High Technologies [subhead]

Esteemed Deputies!

A task of primary importance of the SED's economic strategy with a view to the year 2000 consists in connecting the advantages of socialism even more effectively with the achievements of the scientific-technological revolution. The sixth SED Central Committee meeting emphatically stressed that the task in this respect is a higher contribution of science and technology toward an increase in the national income.

That holds particularly true for the application of key technologies. Inseparably connected with maximum scientific-technological performance, the economic usability and the benefit achieved thereby have increasingly played a decisive role. They must increasingly lead to the economically necessary growth in performance through intensification. At the same time, the broad introduction of key technologies is the decisive impetus for a rapidly increasing labor productivity, a further decreasing energy and material consumption, and a higher quality of products.

In 1987, higher sums from the state budget were again spent on science and technology, taking into account their importance for the course of the unity of economic and social policy. Together with the means produced by the state-owned combines and enterprises, a total of M11.6 billion were made available. These significant assets were in particular intended for using the new technology to achieve maximum results in production and efficiency.

That includes, for example, the development and production of microprocessors at the Erfurt microelectronics combine. Such processors are a prerequisite for the production of office computers, microcomputers, CNC systems, electronic typewriters, board computers, and many consumer goods where they are used a millionfold.

The use of the financial means at the same time produces significant economic effects. That holds true for the efficiency increase of users and the reduction connected with it in the expense of material, energy, and work time.

With this utilization in the economy, the financial input is earned many times over. In this way, during the coming years, too, conditions for a high contribution to the growth of the national income will be established and thus also will further increase revenues of the state budget.

Many newly and further-developed products show how sources of efficiency can be tapped with key technologies.

This applies, for instance, to the computer-aided cutter from the VEB Perfecta in Bautzen, an enterprise of the printing combine. With an improved mass-performance ratio and technologies with an optimum use of material, the Bautzen collective has been able to considerably reduce costs for the new product and to improve export profitability.

Here a basic requirement of the economic strategy of the 11th SED Congress is being correctly implemented. Because if we talk about a new product, what is most important is not some sort of change in construction, but the higher economic yield, expressed in the profit of the enterprise and in higher export revenues.

With regard to the application of new technologies, too, it is not a question of changing technology as such, but of changing the economy of production. This has to be expressed in the transition to a higher level of labor productivity and in lower manufacturing input, and thus, in the end, in decreasing costs and increasing profit.

More Than 80 Percent of Performance Growth From Investments [subhead]

The Council of Ministers points out such requirements and experiences and stresses the need to organize a comprehensive boost of rationalization by means of the key technologies.

The organic interlacing of science and production, which has to be further expanded for mutual benefit, is of strategic importance in this connection.

There is also reason to emphasize the task of determining the results that have to be achieved in the development and application of microelectronics, CAD/CAM technology, robot technology, and other key technologies on the basis of economic efficiency standards, as they were decided by the 11th SED Congress. These targets have to be set down in a binding way for the research collectives in the tasking workbooks and renewal passes, have to be included in the plans without any changes, and have to be brought to bear without restrictions in production.

Esteemed deputies, the economic strategy of the 11th SED Congress poses considerably higher demands on investment activities.

This includes carrying out accurately the investments projects decided with the plan to strengthen the GDR's material-technical base.

In 1987 a total of M75.6 billion were spent on investments, including M11.7 billion from the state budget. These means were above all aimed at safeguarding with

priority the fulfillment of the tasks of the science and technology state plan that deal with introducing results into production and at further expanding and modernizing the material-technical base.

The 1988 national economic plan raises the proportion of investments for the production sectors. This is of particular importance for the further strengthening of the capacity and the raising of labor productivity and thus for the successful continuation of the economic and social policy.

The basic importance of this national economic task becomes clear if one considers the fact that in 1988 more than 80 percent of the planned production growth has to be realized with a production growth of more than M17 billion from investments.

With regard to completing investment projects, the Council of Ministers recommends a gaining of speed in order to reliably fulfill and overfulfill the planned production increases from investments month after month.

In this respect, we particularly stress the necessity of strict state discipline. This includes the full integration of the performance and efficiency targets that have been set down in decisions of principle in the annual national economic plans. The state budget, too, fully counts on these results.

The so-called small rationalization projects are also important, which lead to higher performance and increasing productivity and, in inseparable unity with this, further improve the working people's working and living conditions.

This social concern is supported by the measures for the more intensive application of the principle of self-financing. This coordinates even better the performances for the national economy with the supply of funds by society.

Esteemed deputies, in implementing the decisions of the 11th SED Congress and the 13th GDR peasants congress, the cooperative peasants and workers of agriculture, forestry, and the foodstuffs industry have a great share in the stable supply of food to the population and of raw materials to industry.

In continuation of the tested alliance policy of the workers class with the class of the cooperative peasants, the state-owned enterprises, the socialist cooperatives, and their cooperative institutions were allotted a total of M7.2 billion to promote production. These considerable

means served the financing of measures of scientific-technological progress, of amelioration measures, location-specific subsidies, of other production-promoting measures, and of subsidies for the prices of producer goods.

With M7.7 billion, agriculture, forestry, and the food-stuffs industry made their contribution to financing tasks of the entire society.

Proceeding from the experiences of 1987 and the implementation of the 1988 plan, the Council of Ministers recommends that the daily struggle for increasing output in the fields and animal sheds be linked even more effectively with a gradual reduction of work input and the prevention of losses.

As was stressed at the sixth SED Central Committee session, in agriculture, too, it is important to increase the contribution to the national income in particular by reducing production input.

Considerable reserves for even more efficient management lie in the widespread putting into practice of scientific-technological progress. At the same time, it is necessary to eliminate systematically existing, unjustified differences in standard, by purposefully applying the best experiences in comprehensive intensification.

Generous Promotion of Crafts and Trade [subhead]

Esteemed deputies, in 1987 the cooperative and private crafts provided more than two-thirds of all services and repairs for the population. It is a priority concern of our socialist state to expand these performances in order to further improve supplies. This is served by generous promotion measures for the crafts and trade, which also include comprehensive tax and other financial privileges. In 1987 M223 million were allotted for this purpose in the national budget.

In carrying out the resolutions of the Eleventh SED Congress, additional measures were effected in 1988 to increase the capacity of private merchants and restaurant owners, especially those in the so-called family enterprises, and to increase the capacity of service enterprises for the populace. At the same time, that places new demands on the work of the local councils and the financial authorities.

Esteemed representatives!

Through its policy of dialogue and collaboration, through its own initiatives on the reduction and removal of armaments, the German Democratic Republic is actively and constructively working to place peace on firm foundations.

One significant contribution to strengthening the worldwide coalition of realism and reason was the Berlin International Meeting for Nuclear Weapons-Free Zones,

which took place under the patronage of the general secretary of the SED CC and chairman of the State Council of the GDR, Comrade Erich Honecker, here in the capital of the GDR, Berlin, the city of peace. From this world forum comes a strong, new impetus for continuing efforts to lessen the danger of nuclear war worldwide, and ultimately to avert it.

In 1987, funds from the national budget in the planned amount of 15.1 billion marks were allotted for guaranteeing the defense of the GDR.

For public safety and securing the national border, 5.8 billion marks were spent.

Esteemed representatives!

As is appropriate to the meaning of socialism, the increased productivity of the national economy is connected with the further improvement of the material and cultural standard of living of our country's citizens. In the GDR, human rights to education and social security, to work and to payment commensurate with it, as well as all the other rights connected with them, are set down in the Constitution and are a reality that can be scrutinized.

On the basis of the 1987 plan, considerable means of the state budget and of the combines and enterprises were used for this purpose.

M1 Billion More for Housing Construction Than in 1986 [subhead]

The housing program as the core of the SED social policy is of profound importance for the life of our citizens. In total, housing conditions of every second GDR citizen have been improved since 1971. At the same time, the relevant communal facilities have been established. In 1987 alone, 214,186 apartments were handed over to the population within the framework of the housing program in its unity of new construction, reconstruction, modernization, and value preservation. Thus, housing conditions improved for 643,000 citizens. By comparison, this is more than the number of inhabitants of the entire Neubrandenbug Bezirk with its 15 kreise.

In order to fulfill these plan tasks, a total of M29.1 billion were used last year, including M15.3 billion from the state budget. This is M1 billion more than the year before.

Solving the housing question as a social problem by 1990 requires us to achieve the most favorable input-output ratio everywhere with the planned resources and funds.

In the field of housing management, considerable reserves can be tapped by means of comparative performance appraisals—reserves that improve the citizens' housing conditions and further beautify our towns and villages.

For the GDR citizens housing is not a question of money. With justified pride we can point to the rents that have remained unchanged, low, and stable for more than 40 years and which amount to between M0.80 and M1.25 per square meter for a new apartment. While, on average, the monthly rent amounts to less than 3 percent of the income of a worker's or employee's household, in the FRG this figure is higher than 20 percent; for a large part of low-income families and young households it is often above 30 percent and more.

Stable consumer prices for basic consumer goods, services, and rates for the population are also a part of the climate of social safety and protection in our country. They are an indispensable main element of the implementation of the main task.

On the basis of the state budget law, a total of M49.3 billion were used for this in 1987. This enabled the citizens to buy meat, butter, bread, milk, and other staple foods at the same prices as in the 1950's. Considerable subsidies from the state budget were also paid for heating, water, electricity, and for services in local and long-distance transportation.

Esteemed deputies, the high standard of education and the lead in education that has been achieved in the GDR prove to be of great social importance.

With M13.4 billion of state budget expenditures for public education, vocational training, the qualification of adults, and for the university and technical school sector in 1987, expenditures were M510 million, that is, about 4 percent, above those of 1986.

The state budget account before you shows in detail the scope and purpose of the financial means from the state budget used for education and training of young people and also for the qualification of adults.

Let me stress the following: In 1987 the state budget provided a total of M1.7 billion for thorough care and education of children in kindergartens and combined institutions. This is more than M1,900 per place.

Every Young Person Can Be Sure of His Place for Apprenticeship or Studies [subhead]

Everyone of our young people can be sure to receive an apprenticeship or a place for studies and, after finishing his training, a job. For this purpose, the state budget provided M1.1 billion for vocational training and M2.9 billion for the university and technical school sector.

Esteemed deputies, year after year considerable means from the state budget are used to safeguard such an achievement of the workers class as free medical care and treatment, including stays in hospitals and in health resorts, on the basis of a social insurance system. The M15.1 billion from the state budget used in 1987 for medical and social care for the citizens also include M2.6

billion for payments of non-recurring support at the birth of a child and for the monthly children's allowances. Last year these allowances were considerably increased and led to the tangible raising of the family income of young couples with children.

The state budget provided M3,923 per place for the loving care for our youngest children in nurseries.

Last year social insurance paid M35.2 billion. This was possible because its budgets received subsidies according to plan from the state budget amounting to M16.9 billion.

The Council of Ministers stresses that care for the veterans of work and for senior and handicapped citizens is and remains a particular humanistic duty of the socialist society.

In 1987 social insurance paid pensions amounting to a total of M17.1 billion.

The state budget provided M7,395 per place in old-age and nursing homes. Our state used considerable means for individual care for senior citizens by means of household help and for providing them with their daily lunch. In 1987 alone, these expenditures amounted to M228 million.

It corresponds to the humanistic nature of the socialist society to do everything for the full development of the individual's personality. Therefore, it is an important concern of our state to promote an interesting, varied, and inspiring cultural life and to steadily improve the conditions for recreation, sports, and leisure activities.

For this purpose, last year M5.3 billion were provided by the state budget on the basis of the plan. Another about M1.8 billion come from the resources of the combines and enterprises.

If one adds up the payments for the population from the state budget, these increased from M26.3 billion in 1971 to M105.4 billion in 1987. This is eloquent proof of how, on the basis of increasing production and efficiency, the unity of economic and social policy bears tangible fruit for every citizen of our country.

A Total of 20,000 Honorary Financial Inspectors in Towns and Villages [subhead]

Esteemed deputies, high performances of the working people and varied citizens' initiatives also characterized the implementation of the 1987 plan in the combines, enterprises, and facilities that belong to the direct sphere of responsibility of the local people's representative bodies and their councils.

At the same time, the Council of Ministers recommends that the contribution to the national income in this field be further increased.

In 1987 the revenues of the local budgets were fulfilled by 100.4 percent of the annual plan. Expenses of 100.2 percent were required. On the basis of the production and efficiency of the locally managed state-owned combines and enterprises that increased in 1987 and the GDR state budget regulation, these means are put at the disposal of the funds of the people's representative bodies in 1988.

The funds available in 1987 were purposefully used for a popular socialist communal policy. Together with additional means, above all the basis of municipal contracts, they served in particular to improve the housing, living, and working conditions of the citizens, to create new places in children's facilities, and to finance measures of regional rationalization within the framework of the citizens initiative "Beautify Our Towns and Villages—Join In."

There the teamwork of the local state organs and the enterprises, cooperatives and facilities in the region proves to be a key prerequisite for the high quality of socialist local policy.

The Council of Ministers expresses the expectation that the great reserves from this cooperation will be increasingly directed toward implementing the plan, especially via municipal contracts. This has to be effectively combined with the great readiness of the citizens of our country to contribute personally to making their home villages and towns even more amenable and attractive. Thus, at the same time, the citizens' feeling of being safe in their socialist homeland and their firm attachment to their state are further strengthened.

The fact that the budget is being increasingly discussed in the municipalities, kreise, and bezirke, as well as in the People's Chamber, according to the guidelines given by the 11th SED Congress, is emphasized as an expression of the broad democratic cooperation in the state affairs.

Moreover, approximately 3,500 honorary financial control activists are at work in the towns and villages. In them, approximately 20,000 citizens are active to constantly improve the input-output ratio and to make use of every mark for the greatest benefit of the citizens.

In this way, socialist democracy is showing its variety in implementing the law on the state budget plan.

Esteemed deputies, the Council of Ministers presents the 1987 budget account to you after the annual financial statements of accounts have been carefully examined in all state-owned combines and enterprises, in the state organs, as well as in the financial and credit institutions. The checks of the State Financial Auditing Authority show that the state order and the plan, as well as financial discipline, have been further consolidated and that the careful handling of national property is guaranteed.

In the individual sectors in which it had to be ascertained that the initiated measures still do not suffice to consistently safeguard the increasing requirements of order, lawfulness, and thrift in establishing and using material and financial funds, adequate instructions for changes have been given and implemented.

Esteemed deputies, in summary it can be stated that, in accordance with the fulfilled and purposefully overfulfilled 1987 National Economic Plan, the earning of the total planned revenues, as well as the complete financing of the state budget expenditures were guaranteed.

Thus I ask you to approve the 1987 budget account and to give formal approval to the Council of Ministers.

I cordially thank you for your attention.

Kessler Marks Anniversary of 'Free Germany'
*AU1407060188 East Berlin NEUES DEUTSCHLAND
in German 13 Jul 88 pp 3-4*

[Speech delivered by Defense Minister Army General Heinz Kessler, on the occasion of the 45th anniversary of the founding of the "Free Germany" National Committee, in the Berlin Ministry of National Defense on 12 July: "Spirit and Actions of the National Committee Are Part of Our People's Best Traditions; Speech by Army General Heinz Kessler"]

[Text] Dear friends and comrades-in-arms,

Dear comrades,

On 12 July 1943, that is, 45 years ago, 300 German emigrants and prisoners of war—former Reichstag deputies, party functionaries, workers, and writers, soldiers and officers, Communists, social democrats, and non-party members, Christians, and atheists—gathered in Krasnogorsk near Moscow to found the "Free Germany" National Committee.

In the middle of the barbaric war against the peoples of Europe and the world's first socialist state, which was triggered by Hitlerite fascism, German people of the most different social origins gathered on German soil to call on the German people and the Wehrmacht to terminate this hopeless war, to overthrow the fascist dictatorship, and to establish a democratic state power. This new democratic government was to take up peace negotiations and to lead Germany back to the community of peoples with equal rights.

The founding conference of the National Committee enlarged the front of Hitler's opponents and, under the conditions of the war in the east, continued the struggle of the German Communists and of all upright antifascists, which it had led against Nazi barbarism, against the spreading and escalation of the imperialist predatory war in the country, both underground and in exile, before and after the establishment of the fascist dictatorship.

Resistance Fighters Intensified Antiwar Actions [subhead]

In the Free Germany National Committee (NKFD) responsible people, men, and women from almost all classes and social strata of the German people were united. The committee that was elected by the founding conference had 38 members. Later, their number was increased to 55. Erich Weinert was its president; the members included—in addition to other Wehrmacht members—Artillery General Walther von Seydlitz and the soldier Max Emendoerfer. The Communists and functionaries of the workers movement, Anton Ackermann, Willi Bredel, Wilhelm Florin, Edwin Hoernle, Hans Mahle, Wilhelm Pieck, Gustav Sobottka, and Walter Ulbricht, belonged to the committee.

The Communists and antifascists who fought in Germany evaluated the founding of the NKFD as an important step in forming the people's front and in supporting its hard struggle. There they had to form up and reinforce their ranks, literally in full view of the SS and the Gestapo, completely outlawed, underground, in prisons, in penitentiaries, and concentration camps.

Opponents of Hitler from all social strata enlarged the front of peace fighters and increased their acts against war. The illegal fighters in the country propagated leaflets and wrote slogans on the ruins, sabotaged arms production, and caused disturbances in troop transports. They supported prisoners of war and forced labor convicts. They organized international solidarity and prepared acts of armed resistance.

But, above all, among the working people they propagated the truth about this war and its futility. They maintained a belief in a better future for the people in peace, fought against the lies about impending acts of revenge by the Allies, and strengthened the spirit of resistance against the crimes of Hitler's fascists.

Broad Alliance of Hitler's Opponents up to the Circles of the Bourgeoisie and the Nobility [subhead]

What a great love for the homeland, what a firm will for peace, how much heroism and readiness to make sacrifices is shown by all these acts. The resistance fighters in the country were the ones who, in the final phase of the war, ensured that it was possible to surrender many a town to the Allies without fighting, that bridges, public facilities, and enterprises were not destroyed, and essential prerequisites for life were preserved for the hard beginning after the liberation. They also stood the test as activists of the first hour in spring 1945 and organized the democratic new beginning, together with the representatives of the KPD Central Committee and the antifascists who returned from emigration.

The "Free Germany" movement represented by the National Committee was a broad alliance of Hitler's opponents up to the circles of the bourgeoisie and nobility. It was active in Nazi Germany, in the states

occupied by fascism, in exile, in the USSR's territory, and in the ranks of the partisans and resistance forces of many European countries, even in overseas countries.

In this German anti-Hitlerite and antiwar coalition, soldiers, noncommissioned officers, officers, generals, Communists, social democrats and middle-class liberals, Protestants, Catholics, Jews, freethinkers, big landowners, farm workers, entrepreneurs, trade unionists, officials, artisans, and artists struggled together for the way out of the catastrophe of war.

In his speech at the friendship demonstration at the opening of the "Memorial Museum of the German Antifascists" in Krasnogorsk in 1985, Erich Honecker stressed: "German patriots united who had the joint objective of terminating the war, of overthrowing Hitler's dictatorship, and creating a democratic state with a foreign policy of peace, of friendship with the Soviet Union and all states."

As a result of the founding of the "League of German Officers" in September 1943, which professed the objectives of the "Free Germany" movement, the organizational basis of this militant alliance for peace was extended. To illustrate its growing influence, it may be mentioned that at the time of the founding of the "League of German Officers" only four generals declared their readiness to cooperate in this antifascist association, but in December 1944 50 generals, headed by Field Marshall Paulus, called for the overthrow of fascism.

It also shows the NKFD's great influence that the officers who were represented by Colonel Count Schenk von Stauffenberg in the Supreme Command and in the highest army staffs endeavored to initiate contacts with the National Committee. They contacted leading resistance functionaries from the KPD and the SPD—like Anton Saefko, Franz Jacob, and Adolf Reichwein—and met with Hitler's opponents from the "Kreisau Circle," who were active in Christian-humanitarian causes and were headed by Count von Moltke.

The Initiative Emanated From the KPD [subhead]

The initiative to found the NKFD emanated from the KPD, the vanguard of the German workers class, which had always been in the front line of the struggle for peace, democracy, and a happy future and had made the most sacrifices in this struggle.

From the beginning onward, the KPD—as is stated in the Central Committee's theses on its 70th founding anniversary—completely in accordance with Karl Marx and Friedrich Engels, considered the social liberation of the workers class and their allies as inseparably linked to the final liberation from the scourge of war. Rosa Luxemburg stressed that the Communists "also have to

defend the interests of world peace, together with socialism and the interests of the revolution." In the shape of the KPD, a force was created that fought most consistently against imperialist war and for peace in Germany.

In the Weimar Republic, the KPD did everything to preserve peace, to thwart the policy of revenge of German imperialism and militarism that aimed to correct the results of World War II, and to prevent a new world war. The KPD Central Committee warned in time of the imminent fascist danger. In the presidential elections of 1932, Ernst Thaelmann's party warned: "Those who vote for Hindenburg, vote for Hitler, those who vote for Hitler, vote for war!" These words were to become a bitter truth.

The Seventh Congress of the Communist International in 1935, the Brussels KPD Conference in the same year, and the Bern KPD Conference in 1939 were most important for the further development of the struggle against fascism and war, as well as for antifascist resistance.

All these conferences showed that in order to overthrow fascism, the establishment of the unity front of the workers class and the creation of a broad antifascist people's front were crucial. It was imperative to overthrow the fascist dictatorship by a comprehensive movement of all peace-loving popular forces before the Hitler clique succeeded in starting a murderous war. In spite of the great efforts by and many victims among the German antifascists, they did not achieve this for various reasons.

After several insidious conquests, fascist German imperialism was able to begin the Second World War, control large parts of West and East Europe, and attack the Soviet Union together with its allies. There, however, defeat followed defeat after considerable initial successes. Before Moscow the blitzkrieg strategy failed in 1941; near Stalingrad several armies were smashed in the winter of 1942-43; with the Kursk Battle in the summer 1943 the basic turn in the course of World War II was completed.

The fascist predatory war was the greatest crime against mankind and the German people. It was a barbaric war. Now it was imperative to end the war, to reestablish peace, and to overthrow fascism, which drove the German people into an inevitable catastrophe. The National Committee declared in its manifesto of 13 July to the Wehrmacht and the German people: "The war is lost. Germany is able to drag it on only for the price of enormous sacrifices and hardships. The continuation of the hopeless war would mean the end of the nation. But Germany must not die! Now the existence or nonexistence of our homeland is at stake."

It was love for the homeland, a yearning for peace, the will to see Germany free from the brown dictatorship that brought together these patriots with the most different origins.

The useless shedding of blood by the fascist regime had to be stopped. Millions of people had died in this war. Irrecoverable cultural assets had been destroyed. Every day, members of the Red Army, citizens of the Soviet Union, Germans, Italians, Englishmen, Frenchmen, Americans, Poles, Yugoslavs, and Greeks—people of many other nations—were killed.

Some died in the struggle for their peoples' freedom. The others died as abused tools of a criminal war. Women, children, and old people fell victim to air raids. Resistance fighters and people that were persecuted by the Hitler regime on account of their race died through fascist murder and terror in prisons and concentration camps.

All this had to stop quickly; the agonies of war had to be ended. There was still time to avert a far greater disaster from the peoples, to prevent further crimes, to spare the German people additional sacrifices, and to bring about peace.

This was the basic idea, this was the great objective for the implementation of which the National Committee had been established. The fighting platform developed by it was objectively acceptable to all classes and strata of the German people—independent of their political and religious convictions.

The manifesto for the Wehrmacht and the German people, which was discussed and unanimously adopted at the NKFD founding conference, the 25 articles on the elimination of war, which were published later, and other declarations and calls proved to be realistic and trailblazing orientations for political enlightenment, for all forms of struggle, up to military operations, in the ranks of the anti-Hitler coalition.

Thus, the founding and the acts of the antifascist combat alliance, the "Free Germany" movement, were the result and, at the same time, the expression of the alliance policy—based on firm principles, honesty, readiness for compromise and understanding, and aiming at the secured existence and future of all the people—which was pursued by the revolutionary party of the German workers class, which thus proved again, as in past years, to be the most consistent, most determined force in the struggle against fascism, against the imperialist genocide.

Firmly at the Side of the Soviet Union [subhead]

Dear friends and comrades,

Dear comrades-in-arms,

The founding of the NKFD on Soviet soil was carried out with the great support and complete understanding of the CPSU leadership and the Soviet regime.

From the founding of the Soviet state onward, the vanguard of the German workers class, the German Communists, stood firmly at its side and felt closely linked to Lenin's party. In line with their possibilities, which were still small at that time, they supported the USSR peoples in their hard construction work, and they themselves received solidarity help from the Soviet Union in many ways. The KPD carried out enormous political-ideological work to develop the friendship of the German working people with the Soviet workers and peasants. "Hands off Soviet Russia"—this was one of the most important actions of the internationalist workers class and also of the progressive forces of the German people in the struggle for the survival of the young Soviet power amid imperialist encirclement.

The party always linked the spreading of the idea of friendship with the Soviet Union with decisively exposing and struggling against anticommunism and anti-Sovietism in all its forms—even under the difficult conditions of fascist rule.

Thus, the news about the treacherous attack on the USSR caused insecurity, even fear for the future, among part of the German people and was answered by the antifascist resistance fighters with a considerable increase in their illegal activities.

German antifascists who lived in the USSR—above all the Communists—enlisted in the Red Army or fought among Soviet partisans. Many worked in industry and agriculture, and thus helped to strengthen the Soviet state's defensive power.

The KPD Central Committee appeal of 24 June 1941 said: "Our greatest and strongest friend is and remains the Soviet people, whose banner has become the symbol of the just cause of all people who struggle for freedom, happiness, and honor. Working people, do not let yourselves be abused by the criminal war against our Russian friends!...It is our own cause that is being victoriously defended by the Red Army. Our enemy is in our own country: The fascist mercenaries of the big capitalists, the profiteers are our enemies! The joint victory of the Red Army and of the suppressed peoples who are struggling for their national freedom will also be the victory of our German people."

The outstanding achievements of the Soviet people and their soldiers in this war will for ever remain in the memory of the peoples. It was the Red Army, the world's first worker-peasant army, that stopped the advance of the fascist Wehrmacht, drove it from Soviet territory, decisively helped the peoples of East and central Europe in freeing themselves from the fascist yoke, and then—together with the Allied armies—liberated the German people from their destroyers. For this, 20 million Soviet citizens had to give their lives.

The victories of the Red Army in 1943 and 1944 established favorable conditions for the growth of the German antifascist resistance and its unification in one single movement.

The destruction of Hitlerite fascism and the quick end to the war were objectively concurrent goals of the Soviet state and the "Free Germany" movement. This was one of the reasons why the Soviet Union granted varied political and material help and support to the NKFD, even under conditions that were very difficult for itself.

The Soviet Government made it possible to put into operation the "Free Germany" radio station, which could be heard throughout Europe. Soviet comrades facilitated the printing and distribution of the "Free Germany" weekly and the "Free Germany in Pictures" magazine. They made sure that innumerable fliers were distributed and that training material for political and cultural work in the prisoner-of-war camps were published.

The efforts of the National Committee are inseparably linked with the work of innumerable Soviet comrades, who helped us with advice and actions. These included Colonel General Stcherbakov, then chief of the Main Political Directorate of the Red Worker-Peasant Army and Navy; CPSU Central Committee Member Comrade Manuilskiy; and Major General Burtsev, chief of the Seventh Directorate of the Main Political Directorate of the Red Army.

The "Free Germany" radio station and newspaper became important means in leading and guiding the German antifascist resistance struggle. They were of great importance as the heralds of a truly national German policy and brought the ideas of the NKFD to the front, into the prisoners-of-war camps, and far into the fascist hinterland.

Thousands Were Trained as Antifascist Fighters in "Antifa Schools" [subhead]

Among others, the following people raised their voices in the radio broadcasts and in the newspaper: KPD functionaries Wilhelm Pieck, Wilhelm Florin, Walter Ulbricht, and Anton Ackermann; writers Willi Bredel, Johannes R. Becher, Erich Weinert, Friedrich Wolf, and Gustav von Wangenheim; Generals Otto Korfes, Martin Lattmann, Vincenz Mueller, Walther von Seydlitz, and Friedrich Paulus. Of those who did active work, let us mention as representatives for many: Officers Heinrich Homann, Luitpold Steidle, Bernhard Bechler, Herbert Stoesslein, Karl Hetz, Count of Einsiedel, and Jesco von Puttkammer; and soldiers Max Emendoerfer, Hans Gossens, and Leonhard Helmschrott. In both organs the following people—to mention just a few with religious affiliations—were heard: Catholic clergymen Kayser, Ludwig, and Mohr; and Protestant priests Schroeder, Soennichsen, and Supreme Councilor of the Consistory Krummacher.

Thousands of antifascist fighters were trained in the "Free Germany" movement and in the Antifa Schools. One of the main pillars of the NKFD's work lay in patiently enlightening and convincing Wehrmacht soldiers, who had been misguided and deluded by fascism, and turning them into people who, during their captivity, gradually understood what they had been abused for, and recognized how the future of their people had to be shaped.

With the support of Soviet friends and German Communists, the camp groups of the "Free Germany" movement carried out comprehensive training work. Humanist, democratic, and antifascist ideas were spread by means of meetings, circles, wall newspapers, camp libraries, and other forms of cultural work.

The antifascist schools trained qualified cadres for the political work in the camps and at the front, but also for the later building of the new, democratic Germany. Outstanding German and Soviet Communists taught at these schools. For many thousands of German prisoners of war, names such as Professor Nikolai Janzen, Professor Arnold (Guralski) [parentheses as published], Hermann Matern, Bernard Koenen, Heinz Hoffmann, Frida Rubiner, Hanna Wolf, Rudolf Lindau, Lene Berg, Helene Berner, and many others are inseparably linked with their development into fighters for peace, democracy, and socialism.

These antifascists were also among the activists of the first hour when the antifascist-democratic order was established after 1945. They stood the test as patriots and internationalists, and as steadfast friends of the Soviet Union.

They Fought With Great Readiness To Make Sacrifices
[subhead]

The work of the "Free Germany" movement at the front and at the side of the Red Army was of great importance. Hundreds of antifascists worked there as front representatives, army representatives, and division helpers, and fought at the front with great readiness to make sacrifices. Of those who went to the front immediately after the founding of the National Committee and also later, and who worked there until the capitulation of fascist Germany, let us cite—as representatives of many others—front representatives Parson Matthaeus Klein, Luitpold Steidle, Eberhard Charisius, Ernst Kehler, Gustav Schroeder, Max Emendoerfer, Herbert Stresow, and Jupp Angenforth.

Many helpers of the "Free Germany" Movement who remained unknown worked as members of Wehrmacht units, as "returnees" with specific orders for illegal work—enlightenment and propaganda work—in the Hitler Wehrmacht. They crept into no-man's land, crossed the front lines, and carried out antifascist conviction work in the ranks of the fascist Wehrmacht.

The German antifascists who were given Soviet war awards were not few in number. They included Private First Class Franz Gold and Lieutenant Friedrich Augustin. Both proposed to the Red Army staffs to cross over to the German positions and to act as living proof of the lies in Goebbels' propaganda, according to which "the Russians shoot prisoners of war."

They wanted to show the misguided German soldiers the way to captivity, and thus to life. The Soviet comrades trusted them, both crossed the lines, and fought their way back. Their actions saved the lives of many soldiers.

At the side of the fighters of the "Free Germany movement," German antifascists such as Alfred Koenen, Konrad Wolf, Moritz Mebel, and Max Hahn fought in the Red Army against the fascist conquerors and contributed to liberating the Soviet country and our homeland from the brown plague.

The "Free Germany" movement also developed in many countries, where Germans lived in exile. Committees or organizations of this movement were established in Great Britain, France, Sweden, Denmark, Switzerland, Greece, Yugoslavia, in several South American countries, in Mexico, and in the United States.

Many fighters in the antifascist resistance and the "Free Germany" movement did not live to see the new start of a democratic Germany. They died as German patriots under the guillotine, were shot by fascist firing squads, or died in the gunfire of Hitler's army.

National Committee member Hans Gossens sent a message to Erich Weinert, from which I quote: "On 20 December 1944 Hans Jahn, NKFD representative in a division, fell under fire from German grenade launchers while broadcasting with trench loudspeakers. Before the start of the war he worked as a designer in Berlin. During a bomb attack on Berlin his wife and child were killed. Before Jahn worked for the NKFD, he had fought among the partisans. On the order of the NKFD, he crossed the front line seven times. With prudence and courage he always did everything to fulfill his tasks. In him, we have lost our best front representative."

Units of the National People's Army Carry Their Names
[subhead]

Lieutenant Horst Viedt was fatally injured by machine gun shots during hostilities near Breslau in the night from 5 to 6 May 1945. He was the military head of the combat group of antifascists from the front school of the first Ukrainian front, among whose members were also Edwin Maseberg and Werner Pilz. It was their task to make the Wehrmacht and Waffen SS forces that were enclosed in Breslau surrender in order to minimize the losses among the civilian population. A pioneer regiment of the National Peoples Army [NVA] carries his name.

In this connection it is to be mentioned that the names of National Committee members and of members of the "Free Germany" movement have so far been conferred on 20 troops, units, and installations of the NVA and the GDR Border Troops.

Dear comrades and friends, the spirit and deeds of the National Committee and the "Free Germany" movement belong to the best traditions of our people and their socialist armed forces.

Taking the historic example of the German patriots' heroic struggle as a guideline, the antifascist resistance fighters drew strength and confidence for their own struggle and planted the seeds for a new really democratic Germany which found its home in our socialist GDR.

It was the Communist writer Erich Weinert, who appealed with passion and fervor to follow the example of the best sons of the early progressive German bourgeoisie. In his speech to the founding congress of the NKFD, he turned particularly to the Wehrmacht members who were present in order to invalidate their doubts as to whether the call from a foreign country was compatible with their national honor. He referred to Prussian history and said: "It was the Baron of Stein and the German writer Ernst Moritz Arndt, who had to call on the German people from Leningrad in appeals and poems at the same time when German troops marched toward Moscow. It was the great wartime philosopher Clausewitz, who even served in the Russian Army in order to demonstratively protest against the attitude of his king."

And the co-founder of the "League of German Officers," Captain Ernst Hadermann, initiator of the first group of antifascist officers in the Jelabuga camp stated: "We are breaking with the reactionary past of the corps of German officers. We again recall the spirit of the officers of our people's army during the liberation wars The working masses in Germany will create a corps of officers and an army which will not suppress the people but fight for their interests."

Pioneers in the Formation of our Armed Forces [subhead]

This far-sighted thought was realized on the soil of the GDR, in the armed forces of the worker-peasant state.

Over 20 generals and admirals, who, as leading cadres, helped establish the garrisoned People's Police and later the NVA, were members of the "Free Germany" movement or struggled against fascism in accordance with the instructions of the KPD Central Committee and the guidelines of the National Committee in the Soviet Union and in other European countries.

Some 100 staff officers in the staffs of our armed forces were members of the "Free Germany" movement and most of them had fought directly on the front against the fascist army. Nearly 200 officers had attended an anti-fascist school in the Soviet Union.

On this day, we convey our special thanks to all these fellow fighters, the pioneers in the creation of our country and our armed forces. They personally contributed to the formation of antifascist democratic armed forces in the fifties which developed into a reliable instrument of the first worker-peasant state on German soil.

Today the GDR still acts in accordance with Lenin's insight that a revolution is only of value if it knows how to defend itself! The NVA and the GDR Border Troops are not only proud heirs but also active advocates and preservers of the militant traditions of the "Free Germany" movement. Patriotism and internationalism of the fighters against fascism, to which the "Free Germany" movement belongs, is alive among the youth of our country, in their conviction and their readiness to work with dedication for the construction of socialism and its reliable defense.

The struggle of all German antifascists is being continued through the comradeship-in-arms which today links the NVA and the GDR Border Troops with the Soviet Army and the other fraternal countries.

If we speak of the legacy of the "Free Germany" movement for the members of our socialist armed forces, for the defense and security forces of the GDR, we think not only of the humanistic goals aimed at peace and friendship among peoples, but also of the high-level combat morale of the antifascist resistance fighters, wherever they struggled. Characteristics like courage and boldness, discipline and toughness, secrecy and modesty, readiness to make sacrifices and comradeship, which they lived out in an exemplary manner in difficult phases of the struggle, are our guidelines in educating and training socialist soldiers.

Historic Knowledge is Our Source of Strength [subhead]

The loyalty to principles and the flexibility that they demonstrated in their information and propaganda work, the high level of patience and attention, vividness and sensitivity, and their passionate loyalty to the most just cause in the world are lasting examples and incentives for us.

The history of the "Free Germany" movement, its alliance with all peace-loving people, and the variety of antifascist resistance are a vast field for the further development of a socialist sense of history among our youth. As a part of the history of the German people and of the German workers movement, it is an inexhaustible source for the development of independent thinking and

responsible actions, for emotional education, for winning over hearts and minds in order to continue and complete the work for which German antifascists struggled and died.

In this we allow ourselves to be guided by the thoughts that were expressed by Comrade Erich Honecker in his speech to the first secretaries of the kreis leaderships: "As we all know, history is a great teacher. We deal with it from a viewpoint oriented toward the present and the future. Our party and people look back over a long revolutionary and humanist tradition of centuries of struggle for social progress, for freedom, the rights and dignity of man. We are deeply rooted in history."

The knowledge about the starting point and the goal of our path is an indispensable source of energy for all working people and army members in actively and creatively participating in shaping the developed socialist society, in the struggle to safeguard peace, and in their revolutionary convictions, humanist ideals, and daily committed work.

But in the ideological struggle with the enemies of socialism, with the opponents of disarmament and detente, history-related issues assume increasing importance.

Conveying a Specific Picture of the Creation and Growth of the GDR in Preparation for the 40th Anniversary [subhead]

The study and the explanation of the theses on the 70 anniversary of the founding of the KPD in particular will further strengthen the awareness of our working people and of the members of our army that the goal of the revolutionary German workers movement to create a human society, to attain work and bread, democracy, and peace for the entire people, has been realized in the GDR, and that, on the basis of the SED's purposeful Leninist-Marxist policy, socialism has been irreversibly established on German soil. A flourishing socialist state has developed here, which is firmly linked with the Soviet Union and the other socialist states—a real alternative to the misanthropic imperialist system of exploitation!

In preparation for the 40th anniversary of our republic, in the further development of the sense of history and of historic propaganda it is imperative to convey to all citizens in our state, to our army members, to the border soldiers, and to the members of the other defense and security organs a clear and convincing picture of the creation and growth of the GDR as a socialist state in the heart of Europe, which, through its foreign, security, and military policy, is making a sizable contribution to implementing the peace strategy of the Warsaw Pact, and is contributing to strengthening and enhancing the standing of real socialism through its social policy and the implementation of human rights.

In the GDR we have consistently attached importance to and realized the teachings of the antifascist resistance struggle. We can rightly claim the following: The legacy

of all its heroes continues to be alive in the activities of our citizens, which are aimed at comprehensively strengthening our socialist fatherland.

The ideas of the unity and people's front, which were realized half a century ago during the difficult time of the antifascist resistance struggle, were successfully continued in the GDR by uniting the KPD and the SPD to the SED and by establishing unified democratic trade unions and a unified antifascist youth association. They are personified in the broad democratic alliance of the parties and social organizations of different character that are united in the GDR National Front and in the peace movement that comprises all strata of our people.

Preventing a Nuclear War Together, Regardless of Differences [subhead]

Particularly in the field of foreign policy, in the most important question of international politics, namely safeguarding peace and averting a nuclear inferno, the broad alliance policy of the SED and of our Republic has proved an effective contribution to the international struggle of the Soviet Union, the socialist states, and of all other peace forces.

Comrade Erich Honecker, who personally has been and is making an outstanding contribution to this policy and who recently convened the Berlin International Meeting for Nuclear Weapons-Free Zones, expressed the experiences of his life full of a struggle for peace, democracy, and socialism, when he said: "Just as the states of the anti-Hitler coalition, just as the antifascists joined ranks in the past to defeat the common enemy, today those who want to prevent a nuclear war have to join ranks and have to unite regardless of things dividing them."

The lessons and insights from the struggle against imperialism and its policy of warfare, against the outbreak and for the end of two world wars are being actively and successfully applied in line with the current new conditions. The broad agreement with the statement that war must never again emanate from German soil shows that saving human civilization from nuclear destruction must stand above all class-minded, ideological, and other political interests.

The ideals of antifascist resistance have been implemented in our GDR and in their spirit we are working for the further shaping of the developed socialist society.

Unshakably linked with the Soviet Union and the other fraternal states, in firm solidarity with the fighters for peace, democracy, law, and human dignity on all continents, we will do everything to help banish war forever from the life of mankind.

In order to draw a line from the memories of that difficult time more than 4 decades ago to the struggles of the present and to this bright future of secure peace and progress which was our glowing vision at that time, let me conclude with a phrase from a current youth song:

"We are the light of this world, we are strong, because man is what counts!"

Grosz' Statements, Activities in U.S. Reported
LD2107102688 Budapest MTI in English
0715 GMT 21 Jul 88

[Text] Chicago, July 21 (MTI)—At the dinner following the signing of the founding document of Hungary, a Hungarian-U.S. glass industrial joint venture, Karoly Grosz appreciated the development of economic cooperation and spoke briefly about the favourable changes in the international situation. He pointed out that the Soviet-U.S. dialogue may lend further impetus to detente. 'We are witnessing the beginning of a new era even if we, who are directly involved in this change, are not always fully aware of it', he said. 'Historical experience proves that it is insufficient if the politicians shake hands in a friendly way. Millions of people should meet, shake hands, become familiar with one another and work together. It would be desirable for us to pass over a heritage of this kind to the coming generations. I learnt it in the construction industry that it is a hard job to lay the foundations of a building. We have to lay good many blocks to construct a firm foundation. I hope that the moments like the present one contribute to the laying of such foundations.'

Concerning the fact that the agreement was mediated by Lajos Schmidt, head of the Baker and McKenzie consultancy firm, the Hungarian prime minister pointed out that the Hungarians living abroad and maintaining close relations with their mother country could help a lot in solving our problems and realizing our plans. The country counts upon them, upon their support and assistance, mainly in strengthening the ties between the small Hungary and the other parts of the world, he said.

At the dinner Lajos Schmidt and the management of Guardian Industries announced that they would donate a considerable forint sum to help settle the problems of the refugees living in Hungary. Lajos Schmidt donated a dollar sum, equivalent of 150,000 forints, to the relief fund.

Wednesday afternoon Karoly Grosz saw some sights of Chicago including the 442-metre-high, 110-storey Sears Tower, the highest building of the world, and made a short walk on the shore of Lake Michigan.

In the afternoon Karoly Grosz met Jim Edwards, state minister of Illinois State [name and title as received], who greeted the guest on behalf of the governor who had to stay away for official reasons. Then the prime minister met Tom Dittmer, president of the Refco stock exchange firm.

In the evening the Mid-America Committee for International Business and Government Corporation gave a dinner in the honour of Karoly Grosz. The Mid-America committee holds it an important task to meet the high-ranking foreign guests and businessmen visiting the United States, get acquainted with their views, create an

opportunity for them to obtain information about this important industrial region of the USA, and explore the possibilities of business links.

Addressing the cordial, friendly meeting, Karoly Grosz emphasized that today, as so often in its history, Hungary had to adapt itself to the changing conditions of the world.

'This is what we do today when we seek to learn the new traffic rules of the world, and get acquainted with the world so as to find orientation. This is the aim of our visit. The world is usually divided into two parts, East and West. We know the Eastern part fairly well and would like to become familiar with the West, too. I am confident that the world is a uniform entity.

What do we want to achieve in Hungary? First of all we would like to develop an advanced economy that is capable of adapting itself to the changed world, and living together and cooperating with all who are prepared to cooperate. This is the conception of the current leadership. We are looking for the forms making it possible for a small country to survive under the complicated conditions.

Our policy is aimed at more openness, more freedom and more democracy. In the economic field this means that we wish to have more efficient and autonomous companies, a market governed by its own laws, and possibilities for the individual and the community to unfold their creativity and prosper, conditions in which the individual does not disappear in the community.

After the reflexes of four decades it is not easy to formulate, and even more difficult to implement, a programme complying with the spirit of our age. It is not easy since we have to wage a battle, first of all with ourselves, with our reflexes, and give up the ideological tenets that have not been justified by life. At the same time we should not deny what has still remained a value.

It is difficult to carry out a programme of this kind because the spirit of suspicion still survived in the world. For a long time we lived in a spirit, in the East and West alike, in which both alliances had to make coordinated steps only to strengthen the appearance of unity. To implement our independent programme, we require a changing international atmosphere. We can state it with pleasure that the approach between the two world powers provides a broader scope of action for the small peoples, too. We are confident that the approach between the United States and the Soviet Union will be a lasting process, and military rivalry followed by an age of economic cooperation.

Answering a question related to the rumours published in U.S. papers that the Soviet Union might unilaterally withdraw its troops from Hungary, Karoly Grosz said:

A unilateral withdrawal is out of the question. However, another idea is taking shape: Both the Soviet Union and, as far as we know, the United States support the plan of reducing the conventional armed forces. In the first phase the troops that are stationed in the buffer zones would be reduced. The measure would affect the national armies and particularly the troops that are stationed on the territory of foreign countries. The Soviet foreign minister proposed that by 1995 all countries should withdraw their troops from abroad. We, Hungarians, hope that this proposal would be realized ahead of schedule, the Hungarian prime minister said.

On Thursday the Hungarian prime minister and his entourage left for the west coast of the United States. Karoly Grosz is to visit Sacramento, the capital of California state, and hold talks in San Francisco and Los Angeles.

Interior Minister Interviewed on FRG Visit
AU0807143788 Budapest MTI in English
0905 GMT 7 Jul 88

[Text] Budapest, MTI, 07/07/1988—Thursday's NEPSZABADSAG carries an interview with Istvan Horvath, Hungarian minister of the interior, on the results and experiences of his official visit to the FRG, and the relationship between the two countries. The minister said:

The development of political, economic and cultural relations between Hungary and the FRG preceded the general settlement of East-West relations, and paved the way for the detente process.

The good political relations and the wide-ranging system of personal ties only lacked contacts of the interior ministries. The need for such contacts was made pressing by tasks associated with modern life. In the meantime visits of citizens of the two countries have reached a very high number. Last year, for instance, over a million West German tourists came to Hungary and half a million Hungarians visited the FRG.

The Hungarian side is more flexible in granting visas than the FR. However, at border checkpoints in Hungary there are more unnecessary and excessive constraints stemming from old reflexes. Therefore we primarily proposed to make progress in the field of restraints related to visiting visas. Our hosts, understandably, laid stress on the improvement of the conditions for entering Hungary and lifting restrictions during visits.

The intention to reach progress in visa affairs mutually strengthened, despite the fact that at the present meeting no official agreement was concluded. Analysing the reasons limiting the granting of visas, the West German side repeatedly spoke about factors beyond their reach. In visa issues the common standards of the EEC are

gaining ground. I emphasized that now, when the processes of approachment are emerging, it would not be at all desirable if an artificial partition wall were erected between two countries with such friendly contacts as Hungary and the FRG.

Daily Comments on Gorbachev's Visit to PPR
AU2107133288 Budapest NEPSZABADSAG
in Hungarian 16 Jul 99 p 10

[Article by Jozsef K. Nyiro: "Soviet-Polish Relations—Gorbachev's Visit"]

[Text] Last week, the general secretary of the CPSU Central Committee paid an official visit to Poland for several days. It was not simply a precursor to the Warsaw Pact Political Consultative Committee session, but an active contribution to developing Polish-Soviet relations and to clarifying the historical relations between them, as well as an opportunity to put forward new peace initiatives.

In one of his press conferences during Gorbachev's visit to Poland, Jerzy Urban, spokesman of the Polish delegation to the talks, said that the anti-Soviet atmosphere which was dominant several years ago has completely changed; he added that this change is partly related to the reorganization under way in Poland, but it is primarily the result of the changes under way in the Soviet Union.

Gennadiy Gerasimov added to this statement that, in Gorbachev's opinion, the essence of this visit is the lively interest and friendly conduct demonstrated by both sides. He said that all this had been still impossible several years ago.

General Jaruzelski stated that Polish-Soviet relations had entered a new stage. Gorbachev repeated this and added that since World War II bilateral relations have never been as honest as they are now.

Gorbachev did not speak primarily about honesty, by chance. Clarifying the common past of the two countries and exploring the painful and unclear chapters in their history, could serve as one of the pillars of their good relations. It was in this spirit that Gorbachev, speaking in the Polish parliament, said among other things, that the deportation of Poles at the beginning of World War II constituted a violation of the socialist heritage. However, Gorbachev also said that the study of facts, a calm comparison of viewpoints, and a scientific debate is the only way to clarify the so-called blank spots. He said that history cannot be reversed, but one should draw conclusions from it.

In view of these statements, the particularly self-critical statements Gorbachev made in the Polish parliament about the need to pay much more attention than before to direct and human relations are really significant. For this reason, new border crossings are being established

on the Soviet-Polish border, train and air connections are being increased, and talks are under way to start a ferry line between Szczecin and Leningrad.

Both Jaruzelski and Gorbachev concluded that it is important to develop the infrastructure of bilateral relations and strengthen friendship. There has been satisfaction in both countries concerning the development of the relations among the higher political echelons so far. The two leaders have repeatedly pointed out that what is called socialist renewal in Poland is very similar to what the Soviets call restructuring. On the basis of their historical potentials, both countries strongly stress economic reorganization and reform and also the modernization of the political system.

The route Gorbachev followed in his visit should be noted. Wojciech Jaruzelski stressed that the visit to Krakow was a little piece of history. Gorbachev visited not only Krakow, the former historical capital, but also paid a visit to the Lenin Museum in Poronin, where Lenin had worked as an emigre. Szczecin is located on the western border of the present, post-World War II Poland. By visiting this port, the Soviet delegation was practically asserting the inviolable character of the borders established after the war and stressing the Polish character of this region.

All this makes it indisputable that Gorbachev's visit has contributed to the international prestige of Poland and to strengthening its position. In the talks and speeches it was strongly stressed that, because of its situation and its role in the socialist system of alliance, Poland has an important role in shaping European policy. The fact that Mikhail Gorbachev made important proposals contributing to the European disarmament process in the Sejm has also increased Poland's political prestige. The initiative to hold a conference of the leaders of the European countries would contribute to furthering the Vienna talks and to breaking the deadlock in the talks on reducing conventional arms.

The second Gorbachev initiative urging the Warsaw Pact and NATO to establish a European center for the prevention of the danger of war also received great international interest.

Therefore, the Soviet-Polish talks this week have been successful from every point of view, and observers agree with this. These talks have contributed to enriching the relations between the two countries and have added new elements to the socialist policy of peace and the cause of European security.

Slovene SAWP Delegation Visits Vas County
LD1607172388 Budapest MTI in English
1619 GMT 16 Jul 88

[Text] Budapest, July 16 (MTI)—A delegation of the Presidium of the Socialist Alliance of the Working People of Slovenia [SAWPS], headed by President Joze

Smole, ended a two-day visit to Vas County on Saturday. SAWPS has been maintaining regular and fruitful working contacts with the Vas County committee of the Patriotic People's Front (PPF) for several years. Now the Slovenian delegation returned the June visit of the Vas County PPF leaders.

In Szombathely, the seat of Vas County, the guests were informed by Miklos Horvath, first secretary of the county party committee, on the reform processes taking place in Hungary, and the related tasks and resolutions of the party. The delegation exchanged views with the local PPF leaders on the role of the movement, and relations between the SAWPS and the PPF.

The delegation met local leaders in Szentgotthard and Felsoszolnok and studied the life, work and achievements of the Slovenian minorities living there.

Szamos River Pollution Alert Announced
LD2107171988 Budapest Domestic Service
in Hungarian 1630 GMT 21 Jul 88

[Text] Extreme pollution has been detected in the river Szamos. The Upper Tisza Region Water Management Directorate has reported that the water is foamy and dark brown in the vicinity of Csenger. Since yesterday evening the river has been bringing dead fish from beyond the Romanian border. A class three water protection alert has been declared on the Szamos as a result of the pollution.

Official Comments on River Water Pollution
AU2007193888 Budapest MAGYAR HIRLAP
in Hungarian 16 Jul 88 p 4

[Interview with Dr Peter Goda, director of the Water Affairs Directorate of the Koros Region, at a press conference at the directorate headquarters on 14 July, by Vodros: "We Are a Low Country—the Hidden Background of the Koros Rivers"]

[Text] Hungary is a low-lying country, that is, our major rivers originate in other countries. A press conference on water management in the southeast region of Hungary was held at the Water Affairs Directorate of the Koros Region on 14 July. Our correspondent asked Director Dr Peter Goda to describe the state of the rivers when they reach the Hungarian border.

[Goda] It would be worth our while to start with the Berettyo River, because it comes to us from Romanian territory which is both industrially and agriculturally undeveloped. The quality of the water in this river is 50-50, and at home it is not being further polluted, either. The Sebes-Koros River is our most exciting river, even from a historical point of view because it comprised the trade route which connected Buda with Transylvania. On Romanian territory modern power engineering reservoirs have been constructed with French assistance

along the river, which balance the rate of its flow. I would only like to recall that the Hungarian Professor Ede Viczian dealt with the issue of the river at the turn of the century.

[Vodros] I have been informed that new power stations are also being built.

[Goda] We have heard about this, but from unofficial sources, so we do not know what effect will be. In fact, we are talking about four sites which have already been built above Nagyvarad [Oradea].

[Vodros] What will happen with the sewage of this border city?

[Goda] The sewage from Nagyvarad can go in several directions and we have no control over this. When we comment on the Sebes-Koros, our Romanian colleagues stop polluting the water although they do not admit it. Later the pollution reappears in the Fekete-Koros River.... The Fekete-Koros is a very strong river, and at times of floods it can rise by as much as 5-6 meters in 24 hours. Interference in the Fekete-Koros which we are not aware of have been carried out in Romania, and the rate of its flow has in recent years become very changeable as a result. Its current has been made more intensive than before, and this implies the existence of a new approach toward water management. But we are not acquainted with it.

[Vodros] Is this a result of the fact that this is not laid down in the border river agreement?

[Goda] This is an internal affair. However, what is laid down in the agreement is the obligation to notify us in case of pollution resulting from unusual accidents.... The question is what people mean by an accident. This is a matter of approach, but the fact is that the river crosses the copper mines in Nucet, and then Petru Groza, which is an industrial settlement, and Belenyés [Beius], which also has a considerable industry. I will also add that sewage from pig feeder farms which are perhaps the largest in Europe also flow into the Fekete-Koros River.

[Vodros] Returning to the border river agreement, you yourself experience directly....

[Goda] Let us not forget that we are a low-lying country and we are indeed defenseless. The border river agreement is a piece of paper.... Naturally, what we often experience in practice is different from what the agreement says. Occasionally we find ourselves in an unexpected situation because regrettably, the border river agreement lacks agreements on water quality.

Transylvanian Refugees Tell of Conditions
25000205 Budapest UJ TUKOR in Hungarian
29 May 88 pp 7-8

[Article by Eva Onody: "Let the Refugees Speak for Themselves:" italicized and boldface passages as published]

[Text] A year and a half ago, the first troubled arrival from Transylvania knocked on Budapest attorney Dr Laszlo Nagy's door. Since then several thousands—mainly Hungarians, but also persons of German and Romanian nationalities—have paid visits to his office after leaving their homeland, families and friends. While performing this difficult service, Nagy became one of the most knowledgeable people on this issue. He is legal counsellor, patron and confidant.

[Onody] *What brought you this special opportunity—how did you come into this situation?*

[Nagy] As the legal representative of the Gabor Bethlen Foundation. The absolute trust I gained with the passage of time was not meant for me initially. It was meant for the great prince [Gabor Bethlen] born 400 years ago. Unfortunately, it is not a well-known fact that Gyula Illyes gave timely warning concerning these troubles. The Foundation's founders defined these troubles in 1979 as follows: "The nature of our urgent tasks demands work not unlike that performed by Bethlen. It requires talent, fidelity, endurance and wisdom of the kind he manifested amid great danger in turning Transylvania into a protective castle, the home of nationalities and religions that reside in the region." The timeliness of the idea impressed everyone, and the Foundation's pamphlets also found their way across the border. People picked up and left because they had confidence in the Foundation's moral force. From that point on, only one more step was to be taken before they reached my office.

[Onody] *The condition Dr Nagy set for accepting this task was that he may speak the truth. This is how he put it:*

[Nagy] It is enough to tell the truth in order to deal with this situation. There is no need for honorary posts, because senseless and not compensated gestures removed from the noble intent would project a defensive image of Hungarians. This image, on the other hand, would serve to weaken and to disarm. Moreover, excessive gestures not offset by real achievements may accomplish the opposite of the intended results. They may diminish the chances of truth to prevail both in Hungary and on an international scale.

[Excerpts from refugee statements] *Numerus clausus applies in all fields of endeavor. The press, the radio and television have incited the masses against us in such manner and to such degree that often the masses do not shrink from physical violence. I could present an endless list of incidents which may appear as minor, but which,*

through the decades totally exhausted our tolerance: it is virtually impossible to change our names to Romanian names—but we would not want to do that anyway. It has a price. "Change of name, change of soul" (Andras Suto). As soon as they hear what our names are, officials simply fail to act, or slow down official action to a degree that it will never come to a conclusion. (My passport cost as much as a car.) Our mail either does not arrive, or, if it does, it is all torn up when put into our mailbox. Our telephone conversations are regularly tapped and disrupted. Not only the person subject to physical terror suffers day after day—even though the possibility of such terror threatens all of us—but as a result of hardships, our everyday lives are also rendered impossible. I cannot think of a reason why I should continue to tolerate this situation.

Not infrequently, Romanian authorities inflict severe bodily injuries requiring medical attention. Whenever a finding issued by the medical examiner does not contain the offender's name, one knows that the offender was an official. If the place where the offense took place is not given either, one knows that it took place during preliminary detention. If the medical examiner's report is missing, but there exists a closing statement issued by the hospital, one may guess from the contradiction implicit in the discrepancy between the severity of the diagnosed injury and the duration of hospital treatment.

One must also watch cases in which a diagnosis provided from within the county where the offense took place shows a lesser injury than diagnoses made during subsequent treatment outside of the county. (for example: County hospital records show only bruises, while in another county they diagnosed a fractured skull.) (Excerpts from a physician's notes prepared in Budapest.)

I was conversing quietly with my aunt while riding a streetcar. Suddenly a Romanian cursed us and shouted that we should be ashamed for speaking Hungarian while consuming Romanian bread. Unless we stopped our conversation instantly he would push us off the streetcar. The most frightening aspect of this incident was that all the passengers who filled the streetcar kept quiet. I felt that they would stand idly by if this wild man pushed us (two defenseless women) off the streetcar.

My father was repeatedly called to join the militia. He was terrorized until he signed an obligation to collect data on Hungarians residing in the village, and from time to time to report his findings. The poor old man fell ill from the idea of being forced to perform this task. He has not stepped out on the street since. He believes that by not walking the streets he may get out of this obligation, and I am helpless, I am unable to help.

Every opportunity to place obstacles in the way of listening to the Hungarian radio is taken advantage of in Romania. We often listened to Hungarian dance music

programs in the factory. They punished us at Christmas time. They did not let us have pine trees when those were distributed. They told us to see Kadar and ask him to give us trees!

I am 65 years old, of German nationality. Here in Romania the aged are not entitled to medical care, hospital treatment, ambulance service, or anything else. Please permit me to travel to the FGR where I would be accepted, and would be able to obtain decent medical care.

In 1980, as a young soldier I was taken to work at the Danube canal. Virtually a child at the time, I have seen things that I will remember for the rest of my life. By now I know that several Hungarians died in the course of construction work there. I do not dare to stay at home.

The church provides the sole opportunity for Transylvanian Hungarians to gather. In order to prevent such gatherings, as of recently all public work was scheduled for Sundays. Even children are taken to public places and are made to sweep the streets on Sunday morning, so that they do not go to church.

An order provides that music played at wedding parties must be two-thirds Romanian and one-third Hungarian. But that one-third is restricted by a prohibition to play old songs which remind people of pre-war Hungary. (for example, singing the old march 'Harminkettes Baka Vagyok En' is prohibited.) On the other hand, the old people are unfamiliar with songs other than the old ones. For a while we try to abide by the impossible rules, but then, around midnight we disregard the rules and everyone sings whatever he wants to sing.

Teachers are having difficult time. They are forced to teach Hungarian classes in Romanian. Teacher Julia Keresztely of Nagylak squarely refused to abide by this rule. On the next day they found her hanging by the neck in her apartment.

[Onody] Due to abnormal conditions, the citizens of a foreign country are coming to Hungary. To top it off, they are Hungarians residing beyond our borders. In such situations how do international agreements operate in Hungary?

[Nagy] The most important international document which bears special significance at present is the agreement concerning civil and political rights (better known as the UN New York Convention of 23 March 1966). Its contents: a listing of general civil rights. Through its Presidential Council, Hungary affirmed this document to the UN secretary general on 17 January 1974. It was proclaimed in Hungary by virtue of a decree having the force of law in 1976. On 9 December 1974, Romania also affirmed the document with the UN secretary general, but did not proclaim the contents of the document within Romania. (The rest of the socialist countries did not proclaim the document either.) In order to

familiarize myself with this issue, I studied the Hungarian-Romanian legal aid agreement (which, incidentally deserves a separate study). It covers legal aid with respect to civil, family and criminal adjudication (Bucharest, 7 October 1958) as well as a subsequent agreement concerning the discontinuation of dual citizenship. One should be aware of the fact that international obligations take precedence over domestic law. This is where I was confronted with the first surprise. Unfortunately, in Hungary there continues to prevail a view that does not recognize the precedence of international obligations. It does not recognize this precedence despite the fact that the latest Vienna agreement affirmed this fact. Accordingly, Transylvanians wanting to settle or to continue their travel must be accorded the hierarchically highest ranking agreement. And this would not contradict that legal aid agreement ratified by both Hungary and Romania, that being the document having lower precedence in the hierarchy. Accordingly, those arriving with a passport to Hungary are entitled to leave Hungary. (Article 12.2.)

[Excerpts from refugee statements] In 1983 the Kolcsey Gymnasium started with ten Hungarian language ninth grade classes. Two years later Romanianization of the school began. By then the number of ninth grade classes was reduced to 6, and only 4 of those were Hungarian. During the first year of the second lyceum grade there were only two Hungarian classes. Having received word of the cutback, parents and students called a meeting. At first the principal did not want to attend the meeting. In the end he showed up but was not willing to speak. Despite this fact, he was relieved of his duties within weeks. A Romanian was appointed in his stead. One of the parents accepted the task to visit the school board. He was threatened there and state security officers picked him up on the following day. Despite all these events the father of one of the students left for Bucharest to visit the ministry. He did not return for weeks. In the end he reappeared but was intimidated. The number of Hungarian classes was left unchanged. As a matter of background: In earlier days, 90 percent of this school's graduates were admitted to universities. As a result of the 'reorganization,' some 400 Hungarians were squeezed out of the lyceum, and only a small part of the Hungarian students was able to enter Romanian schools, in which the standard is lower: to the construction trade lyceum and to the auto parts factory school.

I graduated in 1987 and applied to the mechanical engineering school of the Kolozsvár University of Engineering. I estimate that in that year some 300-350 Hungarian students from my native city applied to various universities throughout the country. I know of only one who was admitted to the Temesvár [Timisoara] University of Engineering. I can say with certainty that from among Romanian students taking the entrance examination with me, more than one with lower scores than mine was admitted. Accordingly, our opportunities to continue education are artificially limited by the Romanian state.

I am a school teacher from the Székely area. Our Székely origins, however, are questioned by official Romanian

teachings of history. They consider us to be some degenerate Romanians. The essence of today's situation is this: The Hungarian intelligentsia was sentenced to death. We are humiliated by having to condemn all perceptions and efforts nurtured outside of Romania which are designed to protect the interests of Transylvanian Hungarians, or which objectively view the interests of Hungarians (like, for example, the scientific study entitled "The History of Transylvania"). We are stigmatized unless we express condemnation. The first consequence of being stigmatized is the loss of job. They enter the letter 'I' [probably "inconsistent," irresponsible] into our work book which makes it impossible to secure another job."

I observed at my workplace that Hungarian trained workers are left for years and for decades in the same functional as well as pay category, while the promotion of Romanians is assured, irrespective of their preparation or expertise. Discrimination thus also increasingly has an impact upon one's standard of living. Management at all levels in this factory consists of Romanians. Last November, some 30 Hungarian workers, including myself, received so-called tour of duty papers. They transferred us to one of the canal construction projects several hundred kilometers away from our homes. I did not accept such an assignment. I was banned from the place where I found my next job, and was told that I would be taken to the coal mines in the Mutru region. They did not state this in writing, though. Work conditions in those coal mines are such that one cannot be certain of ever getting out from there.

I was threatened at the workplace to the effect that I would not be permitted to take my masters examination unless I agreed to work at the Mutru region coal mines, some 350 kilometers away from my family. I was not the only one told that, but eight of my colleagues were, too. In those days a governmental delegation arrived at our enterprise. They established a 'persuasion committee.' (We gave it that name.) Their job was to use kind words to convince the elite of Hungarian workers and from among Romanian workers the useless ones to work at the coal mines of Rovina. One would certainly perish as a result of work conditions in those mines.

[Onody] What rules apply to refugees arriving in Hungary?

[Nagy] In such cases we must apply Paragraph 67 of the Constitution, which states that whoever suffers persecution anywhere as a result of his democratic conduct may receive asylum in Hungary.

[Onody] Accordingly, the question arises: Why should Hungarians, Germans and Romanians from Romania seeking protection in Hungary not receive political asylum as long as the rights of nationalities (and in general,

fundamental human rights) are not reestablished in Romania in accordance with the principles enumerated in the agreement? We assume that this could be expected.

[Nagy] When I began researching this issue, I found that there are no other provisions aside from Paragraph 67 of the Constitution which deal with this subject, either with respect to jurisdiction, or with regard to legal remedies. Aside from that, there exists an orthodox view by which socialist countries allied with Hungary do not persecute anyone for his democratic conduct. I am not reassured by the fact that as a result of a process that is protracted anyway, people receive only 'permission to settle,' which may be revoked at any time.

[Excerpts from refugee statements] I am a Romanian physician, nevertheless it was extremely difficult to obtain this passport. Because I am not certain that I will again succeed in getting out of Romania, I decided that under no circumstances would I return. I would like to settle in a country where they would accept me with a Romanian passport, without a visa. It is very difficult to reach decisions like leaving my homeland and my parents—it is not easy. Why did I leave? My mother is a teacher and my father a physician. I was brought up in an intellectual milieu. For quite some time, this was considered a sin in Romania. You cannot think for yourself, and it is tantamount to suicide to say what you think. You cannot exist as an individual, you are only allowed to vegetate as a component part of the masses. Any unbearable situation must be tolerated silently, deeply humiliated in your human dignity before representatives of power. Conditions for healing medical work are not assured in Romania: Shortages in medicines have become permanent, and I can grant sick leave only on the basis of permission received from high-ranking physicians. (And not until the sick person recovers, but until the individually allotted sick leave quota is exhausted.) Spiritual traumas that go with this profession wear out a person, and since scapegoats are frequently sought, one must be concerned about that, too. They do not dare to publicly admit the real causes of deaths. I am saddened by that fact that specialized examinations in the medical profession were discontinued, even though I would like to be a specialist. The final impetus was provided by something else, however. Someone sneaked several thousand lei of 'gratitude money' onto one of my colleague's (a Hungarian's) desk. They descended upon her and took her away. Accepting money from patients is strictly prohibited in Romania. After several weeks in prison, she was returned to us as a patient of the gynecology ward. My professor, who performed the operation, told me that in his thirty years of practice he has not seen a woman brutalized to such extent.... My need for professional development and my conscience as a physician also prompt me to emigrate. Although I am a Romanian, neither my soul nor my spirit belongs to the prevailing system in Romania.

My wife is German, I am Hungarian. We decided to relocate to the FRG. We were not permitted to enter the embassy in Bucharest. Like the Hungarian Embassy, the

German Embassy is also surrounded by police and by cameras. People are taken into custody before they can enter the embassies. A police summons was already delivered when we got home. On the following day they began questioning us. The charges: nationalism, chauvinism, the spreading of foreign propaganda, the smuggling of foreign exchange. While searching our home they found only some issues of the ROCKET newspaper, of INTER-PRESS magazine and SPIEGEL, all of which they confiscated. The harassments did not stop there. The school principal frequently reminded our 10-year-old daughter to talk with her classmates in Romanian. My 68-year-old father was taken to perform public work: For 2 weeks, he carried sacks in a grain elevator for 10 hours a day. The food quota we receive instead of tickets was taken away from my mother: This amounts to 30 dekagrams of bread per day [0.6 pound], half a kilogram [around 1 pound] of sugar per month, and half a liter [about 1 pint] of cooking oil per month. When we attempted to file a protest at the people's council we were sarcastically told to file our appeal in Bonn or in Budapest, as we prefer.

[Onody] We were discussing the issue of dual citizenship. As it turns out, discontinuation of dual citizenship was a big mistake, one could say we had shot ourselves in the foot.

[Nagy] That is correct. In the early eighties, Hungary reached an agreement with Romania to discontinue dual citizenship status. Accordingly, a Hungarian resident of Romania may receive Hungarian citizenship only if he previously surrendered his Romanian citizenship. This is the way one hears the arguments, but this is an erroneous line of argument. It is erroneous because the Hungarian-Romanian agreement in question (Law No 2 of 1980) is incapable of voiding the Hungarian Constitution and Paragraph 67 thereof. Accordingly, the agreement provides a legal basis only for purposes of the traditional kind of resettlement procedures, and not for today's extraordinary situation. For the future: I would support the general reinstatement of dual citizenship. This would provide spiritual support to those affected, and from the standpoint of international law it would pull the rug out from under such untenable viewpoints that create opportunities for illegal actions, according to which caring for the Hungarian minority residing beyond our borders constitutes an involvement in the internal affairs of a given country. The best expression of this thought was made by a refugee from Transylvania: "We did not transgress the border. The border transgressed us."

[Excerpts from refugee statements] Disturbing news is coming from home. Our relatives are being harassed, they are taken by the militia to find out where we are—whether we stayed in Hungary or went on further? Relatives of those who continued further are left in peace. As for myself, we are fortunate that I was able to come out with my wife, but our little son was kept there as a hostage. My wife is distraught, she cannot rest, she cries constantly and thus endangers her pregnancy. Already at home she had

four miscarriages; this is why we would very much like to keep this child if there is a way. Can I tell her anything encouraging? When can we have our son? We and our friends came here with the intent to stay in Hungary. Many of us are forced to continue our journey, in order to have an opportunity to once again see our children.

I am a locksmith and a machinist. Although my home is in Transylvania, it is possible that I will never return there. With his teeth clenched one can tolerate that situation only for a while: to be told 'bozgor' (one without a home country) daily by those who were settled there not too long ago, while even my great-great-grandfather was born there. I would like to live a decent, honest life somewhere with my family, earning a living with my two hands, as long as my homeland cannot provide me that kind of life. I am concerned about my children and my wife.... For this reason I request that if you are unable to help me settle in Hungary, allow me to proceed to one of the Scandinavian countries.

[Onody] Broken families represent the most tragic aspect of the refugee issue. What can we do about reuniting families?

[Nagy] Unfortunately, not much. Hungarian efforts so far have not succeeded, but the issue must not be taken off the agenda. The most important matter at this point is the organized provision of shelter, work and social services, because that serves as a legal prerequisite for the Hungarian Red Cross to turn to international organizations, if that becomes necessary. The counties gradually list the vacant houses and apartments. It appears that the settlement of Transylvanians will not cause great concern, and that this solution will not conflict with the interests of those awaiting apartments. Those who went to Sweden can make arrangements more easily for their families' reunification. Sweden can deal very effectively with this issue—its relationship with Romania cannot even be compared with the Romanian-Hungarian relationship. I would add only this: Romanian authorities do not harass the relatives of those who succeeded in proceeding to the West. Relatives of refugees who stayed in Hungary continue to be harassed (to put it mildly). This clearly shows that Romania is expending a substantial amount of energy to accurately find out about persons who do not return. I too am surprised that their knowledge is current. It has happened more than once that I was able to "greet" in my office the qualified persons of the Securitate [Romanian secret service]. It should serve as an assurance, however, that the defense mechanisms of people in trouble function very well.

[Excerpts from refugee statements] Out there I was a physical education teacher, and I also did some coaching. In Hungary I am a construction worker for a private construction firm earning a good income (14,000-16,000 forints). Initially the Romanians' trouble with me was that I had more Hungarian athletes on my team than Romanians. Later they bothered me by asking why Hungarian athletes showed such good results. Three years ago they

assigned someone to follow me. He shadowed me. They summoned me several times in order to "organize" me into the system and to report who goes where, what people say, what they are doing. I did not accept this task. I commute to work by metro every day, and as I go up and down the stairs I look at people and I am afraid. More than once I have seen the person who used to follow me at home in Romania, the one who promised to shoot me like a dog unless I return to Romania. Frequently I think that he came after me, and this, perhaps is not just a nightmare. It is conceivable, because I hear and see it happening wherever we appear as a group, such as in churches, that many of them followed us here. I had no choice but to leave. Several times my daughter came home from school complaining that "Dad, I was spat upon by the Romanians." And this is exactly how she said it. Not one or another little boy, but the Romanians, she said. What should I say? I told her several times: Don't let it bother you, honey. But I am certain that this is not the proper way, the way it should be. What should I tell my child? What should I say? What should I do?

[Onody] It cannot be easy for a lawyer to "pick out" from the crowd those who were sent, and others who came voluntarily.

[Nagy] Of course, it is not easy, because there are many decent, honest Romanian citizens who came to my office: workers, engineers, physicians, priests. But it also happened that from among those waiting I asked a Hungarian to act as an interpreter, and once he did so he recognized his "shadow." Despite all this, all of us must overcome the assumption that anyone who speaks Romanian is secretly gathering information. In the country too there developed this prejudice. And the other day some desperate Romanians sought my counsel and help. Their situation is difficult because they cannot speak Hungarian. They cannot defend themselves, they just sense that everything freezes around them. Many in this country want to stem this prejudice. And as a person sworn to uphold the Constitution, I respect the equality of persons in the eyes of the law, but I do not recognize as identical the conditions and moral levels of people and nations. I arrived at this conclusion as a result of the masses of refugees that flowed through my office during the past year and a half. Ady's hope that the Danube and the Olt speak the same language has once again fallen apart. The first line of the Romanian national anthem goes like this: "Trei culori cunose pe lume," "I recognize three colors in this world." I too recognize three colors, but not only those three colors. And most importantly, I was not blinded by my favorite three colors. We are Europeans, and that's what we have to continue to be.

Note

Deputy Minister of Interior Zoltan Gal informed the public about the fact that for purposes of aiding refugees the cabinet has established an inter-ministerial committee, which will function in cooperation with the PPF, the organizations of the Hungarian Red Cross and the local councils. [The following passage appears boxed within the body of the item:

A Representative Sample of 100 Refugees [subhead]

1. Distribution by nationality: 91 Hungarian, 4 German, 5 Romanian

2. By age groups:

Under 20 years of age: 6

Between 20-30: 50

Between 30-40: 33

Between 40-50: 10

Over 50: 1

3. Marital status

Single: 36. Married: 55. Divorced, widowed: 9

The 55 married refugees have 69 relatives left in Transylvania, including spouses and children.

4. Occupation: Blue collar: 45. White collar: 55.

5. Forty-two wish to settle in Hungary, this being their primary choice.

If Hungary is unable to provide guarantees for the reunification of their families, of the 42 persons whose primary choice is to reside in Hungary 19 would continue their journey to the West. In the absence of family reunification 23 of the 100 persons would remain in Hungary. 58 percent of all refugees wishes to settle exclusively in the West.]

Red Cross Support for Romanian Refugees

AU0107204388 Budapest MAGYAR HIRLAP
in Hungarian 30 Jun 88 p 11

[MTI report: "No Prospects for Family Reunion"]

[Text] As of 27 June, more than 7 million forints have accumulated in an open account set up to assist the people who are coming from Romania for temporary residence in Hungary. According to the Hungarian Red Cross, more than 3 million forints of quick assistance has been allocated for the resettlers so far.

The great readiness on the part of the population to help makes it possible for the Red Cross to increase the amount of quick assistance to 1,500 forints per person, and 1,000 forints for a family member.

Many people are turning to the information office of the Hungarian Red Cross with requests for assistance in family reunion issues. Mentioning the humanitarian mission of the International Red Cross and Red Crescent, the chairman of the National Executive Committee

of the Hungarian Red Cross sent a letter to his Romanian counterpart as early as 27 April. No answer has been received so far. The head of the foreign department of the Hungarian Red Cross held talks with his Romanian counterpart in Budapest on 20 June, but the Romanian official categorically refused to cooperate with the Hungarian Red Cross in this matter which has traditionally belonged to the Red Cross movement. Therefore, at present, there are no prospects for solving the family reunion requests.

Daily on 27 June Budapest Demonstration

AU0907144688 [Editorial Report] Budapest MAGYAR NEMZET in Hungarian on 2 July on page 8 carries a full page unattributed report on the background of the demonstration organized in Budapest on 27 June to protest the Romanian settlement reorganization plan, under the general headline: "'Budapest, 27 June 1988."

The report is made up of short quotations from interviews made with several organizers of and participants in the demonstration, excerpts from a speech written by writer Istvan Csurka and delivered by actor Istvan Bubik, and the full text of the memorandum which the demonstrators intended to present to the Romanian ambassador (filed as AU0807113588).

Subtitled "Why Did We Demonstrate", the list of short interviews opens with quotations from statements made by Levente Ruttkay, member of the Independent Committee for the Defense of Transylvania, an ad-hoc body established on 15 April 1988, who describes the technical preparations for the demonstration, their appeal for order and discipline, and the "priceless voluntary" work carried out by many individuals. Levente Ruttkay's interview is followed by the statements of another member of the aforementioned committee, lawyer Laszlo Nagy, who describes the way the organizers intended to present the petition to the Romanian Embassy and praises the exemplary behavior of the crowd in dispersing quietly when they failed to present the memorandum. However, Laszlo Nagy is quoted as saying that "the organizers were threatened before the demonstration and, therefore, they had to ask for police protection."

According to philosopher Attila Ara-Kovacs, a former resident of Nagyvarad (Oradea) and today the editor of the Europe Publishing House in Budapest: "The cooperation of the world's political forces is needed" in this matter and the demonstration has drawn the attention of "all those who can do something against this Romanian policy." He also praises the participation of a few hundred of Romanians in the demonstration, "who raised the Romanian flag among us here in Budapest."

Asked whether he is satisfied with the policy of the Hungarian Government in this issue, one of the organizers, Sandor Csóori, said that he was satisfied with it, but "the Hungarian Government should have done something decades ago." As for possible Soviet support for

Hungary, Csóori is quoted as saying that he thinks they understand that "this Romanian affair is harmful for them, too. Besides, we do not want only the support of the Soviet Union, but of the entire world. All mankind is involved in this issue! This is not only a Romanian-Hungarian debate!"

Subtitled "Only International Cooperation Can Help", the report on the speech delivered during the demonstration focuses on Hungarian concern over the Romanian plan to destroy villages inhabited by the Hungarian national minority in Romania and passionately calls upon the nations of the world to "look at this nation which shows now its real face in the family of nations," a nation which "shows now its real character." The speech calls for restraint and civilized behavior, avoiding extremist and chauvinistic manifestations that would only serve those who want to disturb "this pure and beautiful demonstration." It calls for the expression of civilized support for "our brothers at the abyss of tragedy" and for protest against plans for their annihilation. It also stresses that Hungarians need friends and supporters now in the world in their endeavor to demand "freedom and democracy for Hungarians in Transylvania" and for themselves at home.

More on PPF Protests Against Romanian Plan
AU0807114088 Budapest MAGYAR NEMZET
in Hungarian 4 Jul 88 p 2

[PPF National Council signed "Open Letter to the National Council of the Romanian Socialist Democracy and Unity Front"]

[Text] At its 4 July session, the PPF National Council dealt with the Bucharest decision to destroy several thousands of villages and forcibly reorganize the structure of settlements in Romania. The PPF National Council concurs with the 1 July position adopted by the Hungarian National Assembly in which it protests against these plans and proposes that goodwill talks to solve the tensions burdening the two nations and Europe be held.

The PPF National Council appeals to the National Council of the Romanian Socialist Democracy and Unity Front and to Romania's population to exert their influence to contribute to the withdrawal of the plans which aim at violating fundamental human dignity and rights, and destroying the cultural and social heritage of centuries.

According to both Hungarian and international experiences concerning the reorganization of settlements, such arbitrary plans immeasurably damage the political, cultural, and economic life of the country in question, not only for the present generation but also for the future ones. The Bucharest plans afflict not only the Hungarian, Saxon, Serbian, and other ethnic groups living in Romania, but also threaten the ancient culture of the Romanian villagers with extinction. We know that not long

ago, several architectural treasures, churches, and other monuments in Bucharest and other towns were regrettably already victims of unreasonable destruction.

We are convinced that it is still possible to prevent further destruction. Being aware of this, we raise our voice, because we are convinced that it is also the intention and interest of the peoples of Romania to protect their heritage.

[signed] PPF National Council

Former Consul Discusses Villages in Romania

LD1007133488 [Editorial Report] Budapest Domestic Service in Hungarian at 0540 GMT on 10 July broadcasts a 20-minute conversation between journalist Gyorgy Mari and Domokos Vekas, the former consul general in Cluj-Napoca, who returned to Hungary after the consulate general was closed on 28 June 1988. The presenter notes that the closure was an infringement of the two countries' consular agreement for which the Romanian Government is responsible.

Vekas first talks about his life: He was born in Transylvania and in his early years he experienced the harmonic coexistence in Transylvania of people of Magyar and Romanian nationality. There were endeavors to improve the fate of the Magyars in Romania, to reduce travel restrictions between Hungary and Romania, to improve the cooperation between the two nationalities. However, this process slowed down, then came to a halt, and finally began to reverse itself, leading to the current situation. Mari asks Vekas about the local reaction to the plan to eliminate many villages in Romania. Vekas says:

"This is an issue in present-day Romania that is keeping all of society in anxiety. I would like to note right from the start that this is not just a nationality affair: Romanian villages, Magyar villages, villages with mixed population, Saxon villages, settlements in the mountains or in the plains—everyone is in a state of anxiety and disquiet over this news."

In southeastern Europe, the role of the village has been very important culturally over the centuries, Vekas notes; a radical change in this over a short time creates great alarm and could have unforeseeable consequences for Romania's internal situation. Among young people and the elderly in the various areas of Transylvania the plan to eliminate the villages has been the most important topic of conversation. Mari asks how representatives of the various nationalities learned that the consulate general in Cluj-Napoca was to close down. Vekas responds:

"The inhabitants of Cluj-Napoca and Transylvania were informed of the decision via Hungarian radio; on the Romanian part the broader public was informed only later. They noted this decision with shock, and they gave innumerable indications of this shock and of their sympathy."

Vekas goes on to say that the people did not understand why this happened, and this was especially true of the people who were familiar with, and respected, the activity of the consulate general. Meli asks whether broadcasts from Budapest can be heard, received in Transylvania. Vekas says:

"The television programs are watched—everyone watches them, even the Romanian children, schoolchildren. Some of them even learn Hungarian so that they can understand the television, or the films on it. Officially, the authorities do not propagate the foreign broadcasts, but even official people watch them. In Cluj-Napoca they go out to the beech woods by the tens of thousands, where there are excellent reception conditions. Often traffic police direct the traffic there, travelers go out with small television sets, and they watch the program until midnight, and then come back. I also know of innumerable examples in inland Transylvania, the land of the Szeklers; Hargita, where they experiment—they go up to the higher hills, with batteries, various wires—and they experiment; sometimes they get Sofia, sometimes they get Moscow, and they experiment incessantly in the hope that once they will get a broadcast from Hungary. Vekas continues, saying:

Budapest radio plays an enormous role, it is an enormous factor in the life of the people there. They listen to the Thought for Sunday, to Sunday Magazine in the morning hours, and they also listen, in general, to the newscasts. At most places one goes the radio is simply turned on and one hears the signature tune of Budapest radio. Many people listen, not just those of Magyar nationality. It is not possible to hear such information on Bucharest television or radio. The Romanian citizen does not hear much from the Romanian news media about what is happening in the Soviet Union, about the spread of the new thinking in the Soviet Union."

Vekas adds that it is a very human and natural expectation that the authorities should facilitate such radio and television reception, not to mention the distribution of foreign books and political dailies. He concludes by describing his departure from Cluj-Napoca and Transylvania, with acquaintances and strangers of all nationalities waving farewell sadly as he passed by along the streets.

Results of KISZ Central Committee Session Reported

National Conference To Convene This Fall

LD0907225288 Budapest MTI in English
2012 GMT 9 Jul 88

[Text] Budapest, July 9 (MTI)—The Central Committee of the Communist Youth Union of Hungary (KISZ) held

a session on Saturday. The session was addressed by Imre Pozsgay, member of the Political Committee of the Hungarian Socialist Workers' Party and minister of state.

Csaba Hamori, member of the Political Committee of the HSWP and first secretary of the Central Committee of the KISZ, read the proposal on the convention of the KISZ conference. He emphasized that the national conference brought the required political and social turn closer and increased its chances. The KISZ has to study how it can assist this turn, the great economic and political transformation and it has to change in line with the altering domestic political field of force.

He underlined that the forecasts about the social adjustment of youth give a worse picture than ever, foreshadowing great social tensions in the years to come. These tensions will be felt concentrated among the young. Following the party conference I still feel that the warnings of KISZ on this issue are not taken seriously either by the party as whole or by the society. This is why the national KISZ conference would be important for the party, the society and the Hungarian youth. It could make decision on the convention of the KISZ-congress, already by as soon as 1989, it could determine the theses of the congress. The national KISZ conference is to deal with the KISZ, the reform of the youth movement and it can discuss personnel issues, though by means of the present system of calling back, personnel changes are easy to execute. Csaba Hamori proposed that the session decide at a later date on the time of the representation at the national KISZ conference.

Speakers at the debate agreed that a national KISZ conference must be convened. Imre Pozsgay also supported the idea. Then the body convened the national KISZ conference for this autumn.

Pozsgay on Need for Conference

LD0907230588 Budapest Television Service
in Hungarian 1730 GMT 9 Jul 88

[Text] Today's session of the KISZ Central Committee discussed the fact that in September the youth organization will hold a national conference. Why is there a need for this? What is ailing the KISZ? Imre Pozsgay, minister of state and party Politburo member, in his speech sought an explanation for this.

[Begin Pozsgay recording] In the last 1-2 years KISZ has drawn attention to a few basic social problems through its very interesting, noteworthy, and very far-reaching initiatives. I do not see that the causes of the fact that the sociopolitical effect of these still did not attain what those who took the initiatives had intended, or would have liked, lie in Kisz. Its causes are to be found in the sociopolitical situation and crisis behind which stood the MSZMP'S defensive approach, the dull approach of the

vanguard of the leading party that was responsible for governing the country, and its leaders' responsibility for the situation which ensued in this country.

The initiatives and the clever, forward-looking, improving thoughts which start out from KISZ and other youth groups were lost in the social unconcern that had developed precisely because of the loss of confidence in politics, in the political environment, and not in KISZ. I deem it important to say, to state, this because if KISZ is now preparing a national conference for September, for the fall—an idea which I myself also support—then this experience and this thought must also find a place there. At least, that is what I think. That is my opinion about it.

The other thing concerns the cooperation of the government and KISZ, as well as the Government's approach on youth and youth policy, issues. We must maintain the incipient form of cooperation which has developed between the government and KISZ, and which promises to be substantive, and we must place it in a particular conflict-solving world.

KISZ Proposes To Reorganize Youth Forum
AU1807183288 Budapest NEPSZABADSAG
in Hungarian 16 Jul 88 p 5

[Correspondent's report: "Proposal To Establish a New Youth Forum"]

[Text] In its recent session, the KISZ Central Committee proposed to reorganize the National Council of Hungarian Youth [MIOT] along new lines. The initiative, which is in harmony with the 1984 MSZMP position on youth policy, aims at providing opportunities for youth organizations to hold debates on matters of principle and practice, coordinate opinions, and represent the young people.

Every nationwide youth organization and movement (KISZ, the Pioneer Association), every youth section or committee belonging to a public organization (the National Trade Union Council, the churches, national minority and professional federations), independent groups and associations like expert collegiums, and environmental and peace groups can become a member in the new forum; local organizations will be able to send delegates to the sessions of MIOT. There will be no individual membership in MIOT.

According to the plan, MIOT activities will not restrict the independence of the member organizations and they would not become subordinate to it. The member organizations would cooperate in decisionmaking and taking positions; in participating in distributing the money allocated for youth policy, organizing projects, services, and activities; and in establishing international relations. (MIOT, and its recently established International Committee have already been active in the area of international relations.)

Last week, officials of KISZ—which will later be only one of the member organizations—held talks at the PPF Headquarters on the status of MIOT and on how to develop it. Representatives of several youth committees and collectives have also participated in these talks. The new youth forum is expected to be established in the fall of 1988.

Minister Pozsgay on PPF Tasks, New Position
AU1407063888 Budapest MAGYAR HIRLAP
in Hungarian 30 Jun 88 p 5

[Interview with Minister of State Imre Pozsgay by Andras Erdelyi, following his appointment as state minister on 29 June: "A Government Engaged in Politics"—place not given]

[Text] The National Assembly decided to appoint MSZMP Politburo member Imre Pozsgay, former general secretary of the PPF National Council, as state minister of the Council of Ministers of the Hungarian People's Republic. The new state minister gave an interview to MAGYAR HIRLAP on 29 June, the day of his election to this post.

[Erdelyi] First of all, I would like to ask you to summarize quickly the history of the past 6 years. What did the PPF mean to you and what did you mean for the PPF movement?

[Pozsgay] My years with the PPF were a successful period: The period of transformation and development in the PPF. However, before anyone can accuse me of showing off, I must say that I do not regard this as my own personal achievement and merit. A political situation emerged in which this change in the life of the PPF had to occur. If some of my personal characteristics and activities contributed to this situation, I regard this as my own achievement. This movement taught me to appreciate the great power and importance of social cooperation. With a very small staff—the people in the country perhaps could not even imagine what a small staff our apparatus had—we succeeded in achieving results in very important areas. I particularly appreciate the openness with which this movement has treated the issues of constitutional law and the initiatory steps it has made in a wide range of issues, from renewing the electoral law to preparing the new Constitution. I also consider it the result of these 6 years that the PPF movement has followed the results of our economy and of our economic policy, a procedure that had not been characteristic of the PPF activity earlier. If the word movement has not become worn out, then this word has meaning, results, and positive political consequences in this area. That is why I already speak in slightly nostalgic tones about PPF activity, but I understand, of course, the need for my changing jobs and taking up new tasks.

[Erdelyi] Let us, then, discuss these new tasks, primarily the sphere of authority of your new position as minister of state. This is necessary all the more so because, so far, we have heard and read uncertain and sometimes contradictory assumptions and formulations about this position.

[Pozsgay] This good-sounding name, minister of state, has always described a special role in Hungarian constitutional law. Following the liberation, during the period of coalition party struggles, the position of minister of state served primarily the party leaders' governing role. In the past 3 decades, this position was filled when the government was facing new political tasks and these tasks warranted personnel reinforcements. Perhaps this sounds a little proud, but I praise with all these tasks the role played by this position, and not myself; and, of course, I will do my best to meet the requirements of this job.

As for the essence of this job, the government work program announced in the fall of 1987 already stated that it wanted to act as an independent body engaged in politics. In order to do this, the government must leave the circle prescribed for it by an earlier political mechanism. Until now, the executive power has essentially been identical to an administrative center organized for the implementation of impulses coming from various political forums, and it organized this process like an enterprise's board of directors. This method is too unilateral, and economic relations and tasks are nearly the only things that have a chance of being discussed here. Any other function of the executive power that affects the citizens appears as some sort of residue and supplement to the activity of the government, claiming that its political functions belong to others anyway. We should eliminate this one-sidedness if we want to exist in the public life as a government engaged in politics. This endeavor, however, means that in the future, in accordance with the correctly recognized need for reorganization, relations between the government and the society must play a greater role. Therefore, the minister of state and the organizations within his sphere of authority will have to carefully rely on their relations with the PPF, the trade unions, the KISZ, and with the various social and political organs and bodies that represent society's interests. They should do this in such a way that these relations will not be merely representative reflections of occasional negotiations but real forms of government cooperation. This also means that negotiations, and often conflicting relations, will replace a cooperation limited to spectacular statements. If we recognize our partnership, we must also accept the fact that the government and the individual strata of the society can have different interests concerning various issues. In view of all these, the government should maintain contacts with various citizens' initiatives, and not only with vertically built and officially recognized organizations, but also with the movements which appear spontaneously in the wake of a law on associations, and which can play an important role in Hungarian public life. We must develop a tolerance for and an acceptance of conflicts in the government so as to ensure that the same tolerance

and acceptance of conflicts can emerge in the society, too. So far, our political order has not supported this trend very much. Therefore, this will be one of the important tasks facing the minister of state. The creation of a new type of scientific policy is another task that is connected with the above.

If it is true that education and instruction are indispensable conditions for renewal, then we should not limit ourselves to occasional and representative forms of involvement in this area either, but should strive to make a steady and organized use of scientific achievements. An activity of great importance among the tasks facing the minister of state is to follow closely the implementation of the living conditions and civil rights of the national minorities living in Hungary and to deal with the possible contradictions that might emerge here.

It will be possible to carry out these tasks only if the government maintains daily and organic contact with the legislative body, that is, with the parliament. Last, but not least, this entire work can be imagined only in the framework of the new openness deriving from the freedom of press and publication. Therefore, the minister of trade will also deal with publicity, which is a task of the government. We are talking here about the tasks of MTI, and of Hungarian Television, Radio, the government daily MAGYAR HIRLAP, and the activity of the Public Opinion Research Institute.

[Erdelyi] You have mentioned the need to develop the capacity to tolerate conflicts both in the government and in society. Although quite different in content and size, there have been two mass demonstrations in Budapest recently which could be somewhat of a criterion of this capacity to tolerate conflicts. What do you think about these events?

[Pozsgay] There were elements in both demonstrations that confused the government, too. The Constitution of the Hungarian People's Republic also guarantees citizens the right of assembly and protest. Thus, the government and the authorities in charge of maintaining order do not have the right to prevent such citizens' initiatives. At the same time, we lack a law to regulate and implement the right of assembly. Therefore, in taking its own measures the government primarily cites reasons of maintaining public order and the citizens often organize illegally when they initiate such demonstrations. I must say, however, that I differentiate between the 16 June demonstration and the 27 June demonstration. There was no timely consensus and proper understanding between the organizers of the 16 June demonstration—initiated on the occasion of the anniversary of Imre Nagy's execution—and the authorities in charge of public order and public safety. This led to conflict, but only after the gathering in the cemetery where the remembrance ceremony was held. The confrontation occurred only on the open streets.

There was no official support for the 27 June demonstration either. However, there was such a great social need to condemn the current settlement policy in Romania that the authorities could not prevent this demonstration. They could not have done so either because this demonstration did not violate the rights provided for in the Constitution. I think therefore, and this is to sum up the events, that we are talking here about one type of openness during years of apprenticeship by the citizens and the government for maturity. The legislative body can provide for them a school-leaving certificate of maturity [erretsegi bizonyitvany], as it were, by enacting a law on assembly. I hope that this will happen this year, and then, such expressions of opinion will no longer take place under the changing environment of illegal or legal actions, but in a regulated form stipulated by the law and the citizens' rights.

MSZMP's Bercz Comments on Political Reform
*AU1307082288 Budapest NEPSZABADSAG
in Hungarian 7 Jul 88 p 5*

[Gyorgy Czippán report: "Basic Organizations Are the Most Important Units of the Party—Janos Bercz Visits the Csepel Machine Tool Manufacturing Enterprise"]

[Text] On 6 July, Janos Bercz, member of the MSZMP Politburo and secretary of the MSZMP Central Committee, visited the Csepel Machine Tool Manufacturing Enterprise and became acquainted with the work done by the plants and with the performance of the people working there. He was briefed on the political work of the enterprise and its economic policy activities, spoke with members of the party committee at the enterprise and with the secretaries of party basic organizations, and, following a short tour of the facilities, participated in a combined party members' meeting. He briefed the participants on the work carried out by the party conference, the tasks facing the party, and also on the measures the party leadership is preparing to take. He assessed that the party conference had concluded its basic task, but its job had not been concluded; further progress requires a good party program and a leadership which, relying on the entire society, will seek the road toward development. He said that the change in economic life had not yet occurred, and that the process of expanding publicity was also under way. Answering the participants' questions, Bercz also spoke about the issues with which the MSZMP Central Committee is presently dealing.

"What do we mean by a comprehensive reform of the political system?" Bercz repeated one of the participants' questions and immediately answered: "The clarification of this issue is under way and, in any case, the prevailing conditions of exercising power are different from what they used to be. Setting aside the leading role of the party, the government, the National Assembly, and the independent judicial system are getting an increasingly important role; they are dividing the tasks among themselves and a healthy cooperation between them is beginning to emerge.

"We should make laws which are necessary for the regular functioning of society and which are still missing, and we should eliminate legal loopholes," Bercz said. He mentioned several such tasks—for example, broadening the electoral law, formulating the law on assembly and association, and modifying the law on local councils so as to ensure that the council apparatus will serve the population, and not vice versa. In response to a question, he said that the national party conference had suggested that the trade unions become involved in initiating the formulation of a trade union law, because this is not the task of the party and because the trade union should know whether there is a need for such a law and on what bases it should be established. Bercz also repeatedly spoke about the tax system, and asked everyone to be patient because the time elapsed has been too short to determine whether the tax system is favorable, and where its weaknesses lie. In his judgment, at least 3 years are required for the law on the tax reform to "become experienced." After 1 year, the National Assembly will have to account for its results.

Janos Bercz elaborated on the party's dealing with the situation of the various social strata and their relations with each other. He said that people had also pointed out that it seemed as if recently the word "worker" appeared less and less frequently in the party vocabulary. The party leaders are endeavoring to ensure that people do not feel they are second-rate citizens because they belong to one social stratum or the other. Speaking about party work, he said that society has recently become more lively and more is being said about dividing the exercise of power, which requires a party which functions differently. They do not yet know what the concrete changes will be, but their bases have already been clarified. Thus, for example, it will be necessary to start from the basic organizations in every national issue and important matter. The main goal of the party should be to ensure that the basic organizations function well, because they are the most important units. In order to achieve this, it will also be necessary to modify agitation work. An essential condition for the efficient operation of the basic party organization is that every piece of significant information should reach the party members quickly, and that the party members should be restricted by as few regulations as possible. Instead, the members' voluntary activity and independence should be promoted.

Pozsgay Speaks on Role of Family
*LD0607180188 Budapest Domestic Service
in Hungarian 1000 GMT 6 Jul 88*

[Excerpts] A youth political summer university has commenced in Salgotarjan, where Imre Pozsgay was the first speaker. Arpad Zengoe reports:

[Zengoe] [Passage omitted] The work of examining the relations between the family and youth has started today. Speaking to almost 200 representatives of 18 countries, in the morning program State Minister Imre Pozsgay, outlined his thoughts on the basis of his experiences as a politician.

In his historical review he referred to the fact that the family was really swept into danger; the program of modernization following the liberation was fraught with the dissolution of the family from the outset. Instead of the traditional family, it did not place the new type of family at the forefront but instead placed the state at the center.

Because of the danger to the Hungarian family, in the very long term the state, the government, and the various social and political movements must work out a family-

building social policy program, the state minister said. In his speech he frequently mentioned the need for a social policy supporting the weak and the need for working out new standards of upbringing.

Replying to a listener's question on whether the state can count on the family, Imre Pozsgay said that it not only can count on it; but without the family it cannot count on anything. Elsewhere he mentioned that the place of citizens must be redefined.

Polithuro Meets on Gorbachev, Pact Visits

LD2107103188 Warsaw PAP in English
0045 GMT 21 Jul 88

[Text] Warsaw, July 20—As we have previously reported, the Political Bureau on July 19 acquainted itself with the report on the course and results of the official visit of friendship paid by CPSU Central Committee General Secretary Mikhail Gorbachev in the past week, with a report on the course and results of the conference held by the Consultative Political Committee of the Warsaw Treaty states, considered the economic results of the first half of this year, a report on the meeting between PUWP CC first secretary and President of the Council of Ministers Karoly Grosz, and reviewed the state of implementation of the resolution of the 7th PUWP CC plenary meeting.

The Bureau said, among other things, that the visit and talks of both party leaders and the delegations of the PUWP and CPSU have given new dynamics to the development of the brotherly friendship between the nations of Poland and the Soviet Union, introduced momentous essence to the allied cooperation of our states.

It agrees with the spirit of internationalism and is based on the principles of equal-footing, self-dependence, and sovereign deciding on the socialist development roads for our countries, respect of their own traditions and contemporary conditionalities.

The visit and talks have confirmed that the PUWP and the CPSU are linked by ideological and political unity, a joint philosophy of building a modern socialist society, of bold, innovative search for the most appropriate roads of development.

The disarmament proposal made by Mikhail Gorbachev in Warsaw, which offer chances for a gradual increase of security in the European continent and of confidence serving the arrangement of Europe into a common home, have met full approval of the Polish people and resounded in the whole world.

The profound re-structuring initiated and led by the CPSU in all fields of life of the Soviet Union, associated with the name of Mikhail Gorbachev, has won sympathy, recognition, and support of the PUWP and the vast masses of Polish society.

Leaders of both parties noted with satisfaction the basic convergence between the Polish programme of socialist renewal and the Soviet perestroika.

The Political Bureau stressed that the ongoing re-structuring of the economic mechanisms in the Soviet Union and the Polish economic reform are convergent in their principles and aims, offer real possibilities to proceed to a qualitatively new stage and level of bilateral economic relations.

The Political Bureau has said that Mikhail Gorbachev's visit and its attainments mean entering a new stage of development of the Polish-Soviet relations of friendship and cooperation.

The Political Bureau expressed its satisfaction with the recently taken decisions concerning the Poles living in the Soviet Union, and also the increased care of the monuments of Polish culture and the trials of our common history preserved on the Soviet soil.

The Bureau said that the adopted decisions have defined new fields and forms of cooperation, caused an enrichment of its essence. This leads to the highest in history state of Polish Soviet relations in all fields.

The Political Bureau fully approved the essence and outcome of the talks held by PUWP CC First Secretary Wojciech Jaruzelski and CPSU CC General Secretary Mikhail Gorbachev, and it recommended that the decisions be materialised.

Political Consultative Committee Conference [subhead]

The Political Bureau acquainted itself with the course and results of the conference held by the Political Consultative Committee of the Warsaw Treaty states. It was an important development in the international life, which focused attention of people in socialist countries and the world opinion.

It confirmed the willingness of the socialist states to continue and intensify the policy of dialogue, detente, disarmament, and development of a mutually advantageous cooperation in Europe and world, securing the irreversibility of the positive processes in the international relations.

The documents adopted at the conference comprise a constructive programme of concrete undertakings in these fields, especially in the European continent.

The Political Bureau approved the results of the conference and the activities of the Polish delegation, and it ordered the respective ministries and institutions to carry out a full implementation of the conclusions and tasks following from the conference.

Jaruzelski-Grosz Meeting [subhead]

The Political Bureau acquainted itself with the report on the course of the conversation between PUWP CC First Secretary, President of the Polish Council of State Wojciech Jaruzelski and General Secretary of the Hungarian Socialist Workers' Party, Chairman of the Hungarian Council of Ministers Karoly Grosz.

The Bureau received with satisfaction the full agreement of views, represented by both party leaders, on the basic issues concerning the Polish-Hungarian cooperation and the international situation.

Both countries are interested in speeding up the processes of re-structuring the mechanisms of CMEA functioning.

There are good prospects for continuation and closing the cooperation of Poland and Hungary in the spirit of consolidation, especially in the European continent.

Economic Performance in 1st Half of 1988 [subhead]

The Bureau made a preliminary evaluation of the economic performance during the first half of this year. The major and growing weakness of the economy in this period was the deteriorating money-market situation, imbalance, and inflation. These have not been neutralised by the favourable situation in industry, construction, and exports observed this year.

The Bureau recalled that the decisions of the 7th plenary meeting of the CC had specified the general directions of countering the inflationary spiral. The government should unhesitatingly and fully use the extraordinary powers it was equipped with by the Sejm. Needed is an in-depth evaluation of the results of the first half of this year and definition, by the end of August, this year, of further activities limiting the outflow of money: withdrawal from subsidizing inefficient enterprises, rationalisation of budgetary spending, increasing tax discipline.

Independently of undertakings boosting supplies and limiting the outflow of money, the Political Bureau recommended the development of various forms of committing the population's money reserves for purposes other than spending on goods. This requires more flexible interest rates on savings, broader voluntary insurance, quick introduction of sales of bonds and shares to employees, especially of enterprises which become companies.

Implementation of 7th PUWP CC Plenum Resolution [subhead]

The Political Bureau assessed some elements of the progress in the implementation of the 7th PUWP CC Plenum resolution.

The meeting deemed it particularly important in the present situation to speed up the qualitative changes in the party activity serving the winning understanding and confidence on the part of society for party policy. This will be served by an intensive continuation of the broadening of the social basis of national agreement, creating a pro-reformatory coalition, offering an agreement to all social milieux interested in the deepening of the process of reforms and democratization.

The Political Bureau assessed the state of works on the introduction of the 7th PUWP CC Plenum resolution on personnel policy. The meeting said that it was the key issue to observe in practice the principles and mechanisms securing social understanding and approval.

Among these mechanisms there are democracy and openness of the personnel policy at all levels, seeking an opinion of the collectives, publication of lists of candidates, briefing the workforce on the reasons of the proposed decisions and the selection of cadres through contests. The meeting also said that the rules of such contests should be also applied to many managerial posts in the state administration, education, culture and health service.

Further Report

*LD1907222088 Warsaw PAP in English
1903 GMT 19 Jul 88*

[Text] Warsaw, July 19—At a meeting here today, the Political Bureau of the Central Committee of the Polish United Workers Party (PUWP) heard a report on the course and results of the official visit of friendship to Poland by General Secretary of the Central Committee of the Communist Party of the Soviet Union (CPSU) Mikhail Gorbachev.

The Political Bureau found the visit as well as the talks between the leaders of the two parties and between delegations of the PUWP and CPSU to have provided new dynamics for development of fraternal friendship between the peoples of Poland and the Soviet Union and to have introduced new paramount contents into partner-like allied cooperation between the two states.

The Political Bureau was also acquainted with the course and results of the conference of the Political Consultative Committee of the states-parties to the Warsaw Treaty.

Next, the Political Bureau submitted economic results of this year's first six months to preliminary consideration.

Also, the Political Bureau reviewed the advancement of implementation of the resolutions adopted by the 7th PUWP CC plenum.

Statement on Pact Committee Conference

*AU2107190388 Warsaw TRYBUNA LUDU in Polish
18 Jul 88 p 4*

[Statement delivered by Henryk Jaroszek, under secretary of state for foreign affairs and director general of the Warsaw Pact Political Consultative Committee, at the start of the 16 July Warsaw conference on the results of the committee session]

[Text] The Warsaw Pact Political Consultative Committee conference took place at a special moment. It was the first meeting of our alliance's highest political forum since the Soviet-American "summit" meetings in Washington and Moscow, and since such important events, also important on an international scale, like the 19th Conference of Soviet Communists and the visit to Poland by Comrade Mikhail Gorbachev, CPSU general secretary.

To put it as briefly as possible, the conference took place in a situation where due to the stubborn efforts of the socialist countries and the greater realism in the politics of Western countries, there has been a tangible improvement in international relations and a weakening of confrontation trends, especially between East and West. Of particular significance here is the start of real disarmament as a result of the signing and ratification of the Soviet-American treaty to eliminate intermediate and shorter-range missiles.

It has already been a tradition, especially in recent years, for the Political Consultative Committee to issue, apart from a communique presenting a concise assessment of the international situation and the stance of the allied states vis-a-vis the most important problems of the modern world, documents which deal with a single selected and important topic.

Thus, apart from a communique, the Warsaw conference has also adopted two such documents. The first of them concerns negotiations on conventional disarmament in Europe, and the second is devoted to issues of ecological security.

As far as the communique is concerned, it ought to be stressed that not only does it contain an assessment of the international situation, but, more importantly, it also outlines the paths of action, suggests specific undertakings, and indicates tasks which should be implemented urgently to consolidate everything that is positive in international relations and further reduce and eliminate everything that is negative or fails to meet modern requirements.

Recognizing the prevention of war and a halt to the arms race as key issues of today, the Warsaw Pact member-states defined priority tasks in the field of disarmament—a 50 percent reduction in Soviet and U.S. offensive strategic weapons, a ban on nuclear tests, the elimination of chemical weapons, and a reduction of armed forces and conventional armaments, with a suitable reduction in military expenditures. At the same time, the participants voiced their concern over the threat to the disarmament process posed by plans to compensate for the missiles eliminated under the INF treaty by developing and modernizing other types of weapons.

A lot of space in the speeches and in the adopted documents was devoted to security, disarmament, and broad European cooperation.

The allied states affirmed the fundamental importance of pursuing their collective and individual initiatives aimed at security and disarmament and relating to central and northern Europe, the Balkans, and the demarcation zone between the two alliances.

The conference confirmed the unanimous view of all participants whereby the inviolability of borders and a respect for the existing territorial and political reality, sovereignty, territorial integrity, and other generally recognized principles and norms of international life are a condition for lasting peace and security on the continent.

The conference also analyzed the course of the Vienna CSCE meeting. It called on all Vienna participants to display at the conference's final stage the political will and maximum constructive effort necessary in order to achieve a soonest possible settlement to issues that are still unresolved. On their part, the Warsaw Pact member-states pledged to act in precisely this manner. They spoke out in favor of an earliest possible end to the meeting at foreign minister level.

The conference lent its support to a universal system of international peace and security. It spoke out in favor of increasing the role of the United Nations in this context; increasing the effectiveness of its chief bodies, as well as the secretary general, in the peaceful settlement of disputes; and a broader use of military observers and UN forces in maintaining peace.

The leaders of the allied states indicated the particular importance of observing and implementing basic human rights and developing international cooperation in the humanitarian sphere.

Finally, I wish to stress that an exchange of information and views about internal development and transformations in the states of our alliance occupied a major part of the conference. It was said that it is necessary to adopt a creative approach toward the theory and practice of socialist construction, take into account the changes occurring in the world, and introduce the best achievements of other countries. The indivisibility and interdependence of the world was stressed.

The "Declaration by the Warsaw Pact Member-States on Negotiations Concerning the Reduction of Armed Forces and Conventional Armaments in Europe" is a document of enormous topicality and importance.

Its genesis lies in the situation in Europe and the threats to European peace and stability posed by the massive arsenal of the most modern weapons and powerful forces of both sides. Such a state of affairs makes any further improvement to the international climate difficult, and complicates the development of broad European cooperation. This is an increasingly obvious anachronism.

The Vienna debate on a mandate for new negotiations and conventional disarmament from the Atlantic to the Urals is drawing to a close. Both alliances are preparing for the negotiations and working on the stances and concepts that they will present during these negotiations. They are also preparing for the second stage of the CSCE conference on confidence-building measures and security and disarmament in Europe.

The statement makes a significant constructive contribution to international dialogue on the subject of the most effective ways and means of reducing the level of European confrontation and the threat of an armed conflict of unpredictable consequences.

In the statement, the Warsaw Pact states have spoken out in favor of commencing new negotiations still in 1988, and underscored that the priority task of these negotiations is to radically reduce the military potentials of both alliances and bring about the situation in Europe where NATO and the Warsaw Pact possess enough forces for defense but not enough to make a surprise attack and perform offensive operations. During the first stage of these negotiations, we propose to concentrate on resolving the following issues:

—First, to attain an equal, reduced collective level of manpower and conventional weapons in each country in both alliances. It would be purposeful to concentrate first of all on the mutual eradication of asymmetries and disproportions in specific categories of the conventional weapons and armed forces of both alliances.

—Second, to prevent surprise attacks by establishing zones of reduced armaments along the border between the two alliances, which would be accompanied by agreed confidence-building measures.

—Third, to mutually exchange the data necessary for the negotiations and set up an effective system of control over the fulfillment of the agreement, including on-site inspections, with no right to refuse them.

The statement meets halfway the numerous postulates voiced by our Western partners about the disarmament dialogue. There is not a single feature in it that implies a desire to achieve unilateral advantages. It takes the interests of both sides into account and is based on the fundamental principle of equal security. It is designed to permit future conventional disarmament talks in Europe achieve a tempo sufficient to rapidly achieve tangible results.

As a representative of Poland, I would also like to note with satisfaction the fact that the contents of the statement coincide with the solutions proposed in the Jaruzelski Plan.

The third document adopted at the Warsaw meeting is entitled "The Consequences of the Arms Race on the Natural Environment and Other Aspects of Ecological Security." The fact that this is the first time that the Pact's highest body has ever tackled this subject illustrates the importance which our alliance attaches to broad international cooperation in order to meet the challenge facing mankind and the global threat.

Our focusing on the military aspect of ecological security results not only from the fact that the author of the document is a body belonging to the military-political

alliance. It results mainly from the concern of public opinion, especially of the countries represented at the conference, over the increasing damage to the environment as a result of military activity. An example of the negative ecological impact of military activity are the results of nuclear tests, which have continued despite the efforts of the USSR and other socialist countries to stop them.

Such an interpretation of environmental protection does not imply that the participating states fail to appreciate the negative impact on the environment of peaceful activity conducted without any attention to ecological factors. We are fully aware of such activity.

We favor intensifying international cooperation in environmental affairs. Wojciech Jaruzelski discussed this in the Sejm a few days ago, pointing out that "air and water do not recognize state borders or political differences," and stressing that "there is a burning need for great joint undertakings to protect the environment."

The countries of our alliance have manifested on numerous occasions their desire to expand cooperation in this regard. At the 40th UNGA session, we called for an unrestricted flow of technology serving the needs of environmental protection.

The document adopted at the conference suggests working out and implementing a concept of international ecological security, a package of rules and principles governing countries' conduct in the sphere of environmental protection, access to modern technology serving the needs of the environment, and a system of information on the environmental situation, as well as the convening of an all-European conference of the ministers responsible for the environment and the adoption of a joint program of action.

Summing up, one can say that the contents of the adopted documents are subordinated to one chief objective—to guarantee that the change for the better in the international situation cannot be reversed, eliminate elements of confrontation, and give the positive processes that have already started the tempo necessary for them to lead to a really profound restructuring of international relations and a demilitarization and democratization thereof, on the basis of the philosophy of interdependence and cooperation.

The Political Consultative Committee conference was a great event in the life of our states and peoples. It has born rich, constructive fruit. We hope its results will meet with a positive echo in Europe and the world.

Council of Ministers Approves Special Powers Law
AU1207112088 Warsaw ZOLNIERZ WOLNOSCI
in Polish 9-10 Jul 88 pp 1,2

[Text] PAP—On 8 July, the Council of Ministers approved a report on the realization of the law on special powers for the government between 12 May and 30 June 1988.

In the past period, nine important legal decrees were issued to accelerate the second stage of the economic reform. The main purpose of these decrees was to increase the efficiency of efforts to restore market balance, to check inflation, to compel improvements in the economy, and to protect people against temporary hardships of the economic reform.

The government's special powers were used primarily to improve the flow of consumer goods and to check the deterioration in the supply of consumer goods caused by increased exports. This was done by a government decree that stipulated that export concessions can be granted only if the volume of goods flowing to marketplaces is not reduced. Countervailing taxation was introduced to obtain additional production from unused machines, materials, and plots. In addition, to encourage enterprises to sell the production assets they do not use, it was agreed that they can employ contracted prices in their turnover transactions.

Production preferences in the enterprises that have lost these preferences have been prolonged until the end of the year.

Activities to increase the flow of consumer goods have not only eliminated the danger to this flow stipulated by the Central Annual Plan, but also have made it feasible to increase the flow of goods and services by 3-3.5 percent and not merely by 2.7 percent.

Solutions to price and wage problems were also important for balancing the economy and for curbing inflation.

The period during which treasury chambers can postpone enterprise-sponsored price hikes has been extended from 3 to 6 months.

This makes it possible to spread out price hikes for longer periods and to allow consumers and producer to negotiate prices. It was also decided to abandon the official distribution of some production equipment, which means that machines, equipment, vehicles, and other production assets that are no longer subject to compulsory brokerage can be sold at unlimited auction prices.

The government took measures to counter excessive and unjustified wage increases, because they endanger market balance.

Enterprises in which overtime taxation exceeds 25 percent of the planned profits for distribution will be deprived of concessions relating to taxation on excessive overtime wages and will be compelled to pay an extra 50 percent of the tax due for the given year.

That tax will also have to be paid every month, and the possibility of individual fiscal concessions will be suspended until the end of the year. To curb the payment of glaringly high wages for services supplied by enterprises

through agents (this practice was designed to relieve enterprises, delegating such services of taxation on excessive wages), the principles of this taxation have been suitably changed. Measures were taken to discipline managers of economic units to make them observe the principles of prices and incomes. These measures included the premier's right to dismiss or suspend the managers of the enterprises and cooperatives that are obviously against the economic reform and glaringly violate economic proportions. The analysis of data supplied by 16,000 economic units made it necessary to take investigatory action vis-a-vis about 4,000 of these units. The founding bodies of these units asked workers' councils, banks, and treasury chambers to take a stand on negative results and to eventually dismiss or suspend the managers concerned. As a result of the analysis of relevant materials, five managers of state enterprises and 28 managers of cooperatives were dismissed or suspended.

Supervisory councils dismissed four chairmen. Charges against 170 units were sustained, and the decision in this connection will be postponed until the results for the first 6 months have been analyzed. These activities will be continued, because fiscal discipline in enterprises and cooperatives is still poor after 5 months.

To accelerate improvements in economic performance, an accelerated procedure of splitting, merging, and liquidating state enterprises was adopted on the strength of legal enactments.

Twenty-one enterprises were already liquidated and six were already merged. These enterprises had bad production results for a long time, serviced their production assets badly, and had poor profits. The premier also set up two interdepartmental teams to evaluate the economic efficiency of production foundries and shipyards.

Transferring enterprises to voivodas helped to stimulate the economic initiative of those enterprises in particular that cater to local needs, that is, have tasks similar to those of the people's councils. Altogether, 330 enterprises were transferred to voivodas, and the Council of Ministers used its special powers in relation to 101 of them.

The investment program was curbed as a result of a ban on new nonhousing buildings, especially administrative buildings. This ban, which does not apply to agricultural, health, and environmental investments, should help accelerate housing construction.

The list of units entitled to loans will be extended. Aside from producers, loans can be granted to foreign trade enterprises possessing convertible currency allowances. The sources of repayments of loans will also be expanded. Aside from convertible currency allowances, enterprises' incomes from exports will also guarantee repayments, which is most necessary if the value of the purchases of materials required for export projects

exceeds the value of the convertible currency allowance. These solutions will be crucial in helping to exploit more fully the enterprises' export potentials.

The basic principles of the goods' turnover in duty free zones in Poland were also defined. The flow of goods from the foreign countries to duty free zones will not require export and import permits and customs duties. Only customs control will be maintained. On the other hand, the flow of goods from duty free zones to other areas of the country will observe the normal regulations.

Blank Spots, Military Service, Stalinism Viewed
AU2107172388 Warsaw POLITYKA in Polish
16 Jul 88 p 2

[From the "press review"]

[Excerpt] The May 88 issue of POMERANIA carries a letter by one Jerzy Patock from Wladyslawowo. Here is an excerpt from it:

During the years of "errors and distortions" about 120 Polish ranking officers were executed, mostly in Warsaw and Gdynia. Who were these officers? Were they some murderers? No! They were innocent people, who had won the world's admiration for their valor, courage, and dedication. When the "thaw," or as people say "Polish October" came, those officers were fully rehabilitated.

It is high time that these victims were treated in the same way as the victims of Poznan, Radom, and the Seaboard. Let our nation pay homage to them. The time has come to eliminate all blank spots, especially since even the Katyn affair is being investigated.

MORZE I ZIEMIA on 29 June-5 July carries an interview with Rear Admiral Romuald Waga, chief of staff and deputy commander of the Navy, by Bernard Ziolkiewicz. Here is an excerpt from it:

[Waga] Many draftees are not especially enthusiastic about having to do national service for 3 years. But we are sure that this attitude will certainly change, because, responding to the people's postulates and having at heart the interests of our economy, the naval leadership has decided to reduce naval service by 1 year, having made a very thorough analysis and having taken many organizational and training measures.

ODRODZENIE on 2 July carries an interview with Wlodzimierz Sokorski by Stanislaw Blaszczyk. Here is an excerpt from it:

[Sokorski] The country's political leadership used to employ the ideology of socialism only to the extent to which it was necessary to fill in the red sign-board required for performing for the government. That is why all criticism leveled at government representatives or against their decisions was regarded as an attack against socialism. This tendency is still with us in that the people

who have their own views are called controversial. We should also realize that state socialism, that is, Stalinist socialism was based on the false doctrine—the rich state and the poor citizen. But this is absurd, because only rich citizens can make up a rich state. [passage omitted]

Polish-Soviet History Report Due in Fall
LD0907202288 Warsaw PAP in English
0033 GMT 9 Jul 88

[Text] Warsaw, July 8—In the evening news bulletin today, Prof. Jarema Maciszewski spoke, in the context of Mikhail Gorbachev's oncoming visit to Poland, about the works of a joint Polish-Soviet historians' commission, which he chairs on the Polish side.

"I personally associate the visit with the fact that Mikhail Gorbachev, together with Wojciech Jaruzelski, is a signatory of last year's declaration, in which an important place is occupied by the announcement of profound and thorough works aimed at revealing the whole truth about the tough, complex history of relations between our nations and our countries in the past," Prof. Maciszewski said.

In his opinion, the accomplishments of the historians' commission, which has been working for a year now, will be made public in early autumn this year.

"Themes which we have been able to examine most thoroughly concern the 1922 Geneva conference and the first months of World War II. Another subject is that of deportations and translocations of the Polish population in the Soviet Union during the years 1939-1940. Finally, the third subject concerns the fate of the Communist Party of Poland and Polish communists. We have made the biggest advancement with those three subjects," Maciszewski added.

He also enumerated some other themes, which the commission is examining intensely, including the problem of the Katyn crime and other difficult issues.

Polish Role in Soviet Projects Examined
PM2107132388 Gdansk DZIENNIK BALTYCKI
in Polish 12 Jul 88 p 3

[Interview with Edward Waszak, government plenipotentiary for joint Polish-Soviet investments in raw materials extraction in the USSR, by KAR correspondent Andrzej Kruze; date and place not given]

[Text] [Kruze] On 25 June this year the construction of the Progress gas pipeline between Yamburg and the western border of the Soviet Union was completed. Poles have been present at the construction site....

[Waszak] On that giant construction site, comprising 5,500 km of gas pipelines, several dozen compressor stations, and numerous ancillary facilities, Poles have only built a 326-km section of the pipeline. The whole investment project is a joint venture by all the European CEMA countries.

[Kruze] We are greatly looking forward to receiving natural gas from the USSR in return for our contribution to that joint venture.

[Waszak] In this respect nothing has changed. By its contribution to the Yamburg gas pipeline in the current 5-year period—a contribution which totals R930 million, comprising R650 million in construction and assembly work and R280 million in supplies of equipment and steelwork—Poland has earned the right to receive additional supplies of 44.6 billion cubic meters of natural gas from the USSR in installments spread over the next 20 years. At an earlier date, on the strength of the so-called metallurgy and gas agreement, we had already constructed a section of the gas pipeline between Kobryn and Brest. This was done precisely with a view to increasing imports of Soviet gas.

[Kruze] Is Yamburg the only major industrial construction project in the USSR in which Poles take part?

[Waszak] "Yamburg" is basically an overall term used to denote our participation in the expansion of the raw materials and fuels infrastructure in the USSR. Under the terms of the so-called Yamburg agreement of 29 January 1987 we are present at 45 construction sites. Naturally, our most important commitments concern the construction of gas industry installations. Together they total R410 million. And so we are taking part in the construction of the Progress pipeline, we have started the construction of a 259-km section of the Tula-Kiev gas pipeline, and we are participating in the expansion of several gas industry installations near Lvov, Kiev, and Minsk. All this, however, is only a fraction of our commitments under the Yamburg agreement...

[Kruze] What other commitments do we have under the agreement?

[Waszak] We are committed to providing assistance in the construction of three Soviet nuclear power plants, at Khmelnitskiy, Kursk, and Smolensk, to the value of R120 million. This type of construction service has already become our specialist export commodity. Suffice it to say that the Soviet partner entrusts the installation of increasingly complex plant in nuclear power stations to our specialized construction teams. For us it is also an excellent training ground for personnel to acquire practical experience with a view to the future development of the nuclear power industry in Poland.

[Kruze] Poles are also employed in Magnitogorsk. Is this also in connection with the Yamburg agreement?

[Waszak] Yes. A major metallurgical installation named Rolling Mill 2000 is being built in Magnitogorsk. We shall participate in its construction to the tune of R120 million. This amount represents only the value of the services to be provided by us.

[Kruze] But the Rolling Mill 2000 was to be installed at the Huta Katowice steelworks, was it not?

[Waszak] There were plans to this effect, but the shortage of investment funds forced us to abandon them. Subsequently, the Soviet Union decided to build the projected metallurgical plant. That is why, in compliance with the executory agreements appendant to the terms of the Yamburg agreement, we are now reexporting capital investment equipment worth about R100 million to the Soviet Union, from which we had purchased it earlier. We are also selling to our Soviet partner the automated control system which we bought in the United States for installation in the Rolling Mill 2000. Furthermore, we are supplying them with additional 40 tonnes or so of machinery and equipment.

[Kruze] Is all this in exchange for the gas?

[Waszak] The Yamburg agreement concerns exclusively gas supplies for Poland. As regards other fuels and raw materials, the USSR has pledged to maintain the present levels of supply of those materials to Poland in the next 5-year period without obliging us to increase exports of our construction and assembly services to the USSR. This is important to us because the majority of our agreements on exports of raw materials, which heretofore constituted the basis of our additional imports of raw materials from the Soviet Union, will expire in the early 1990's.

[Kruze] Recent rumors circulating in Poland have claimed that the USSR intends to restrict its imports of construction and assembly services from other countries, including Poland. Are these rumors correct?

[Waszak] Formulated in those terms, they are first and foremost distorted. The USSR is indeed proposing to alter the structure of these services, and this will, naturally, be linked with a change in the terms of their relevant export agreements. This is connected with the process of reforming the Soviet economy, within which decisions by autonomous enterprises to embark on any kind of economic task are increasingly often based on the principles of economic accountability. To put it simply, Soviet firms are to a certain extent beginning to compete economically with our own construction and assembly enterprises.

This, however, does not yet mean that we are going to be "forced out" of the Soviet market. There is an enormous demand there for specialized services in the field of public and municipal housing construction. To be able to meet this demand they often need to employ specialist teams. And so we have been receiving tenders inviting us

to make use of the construction capacities of our firms by erecting municipal public facilities in Moscow. One of these tenders, for example, is for the construction of the Kiyevskiy hotel. We expect to get a contract for the construction of a sanatorium for 500 residents in Sochi. We are conducting a feasibility study for the expansion and reconstruction of a sanatorium facility in Alushta. It is possible that our construction firms will take part in developing several villages in the neighborhood of Orel.

[Kruze] But none of this can compare with constructing giant industrial projects.

[Waszak] We are not leaving all the giant construction sites completely. For example, we are taking part in the development of a petroleum plant complex near Ufa in Bashkiria. We are currently negotiating a contract that would involve Polish firms in pipeline-laying projects, although we have encountered certain difficulties there. Moreover, our art and architecture conservation agencies have also been receiving proposals for major contracts. That is a slightly different matter, but nonetheless we must stress that in the current 5-year period the total value of all the construction and assembly services we will have provided on the Soviet territory, together with the value of material supplies delivered, will amount to about R1.3 billion. Plans for the next 5-year period provide for comparable or even slightly higher figures. This year we will employ nearly 22,000 people on all construction sites in the USSR involving Polish contracts. Next year we plan to employ about 30,000 people. After that, the number of Poles employed on contracts in the USSR will be slightly reduced, although it is still too early for final decisions. Discussions on this subject are currently under way.

[Kruze] Thank you for talking to me.

Scholars Upset With Slow Inquiry Into Killing
AU2107151288 Paris AFP in English
1441 GMT 21 Jul 88

[Text] Warsaw, July 21 (AFP)—A group of 76 renowned Polish intellectuals expressed their concern Thursday with the slowness of a police inquiry into the assassination of sociologist Jan Strzelecki.

In a written statement, the scholars complained that "three weeks have passed since Jan Strzelecki was killed, and police still have not found the murderers...which sparks our concern."

Writers, editors, journalists, a film director and other intellectuals were among those signing the statement.

Mr. Strzelecki, a union activist, was attacked during the night on June 29. He was hospitalized with a fractured skull and later died.

His funeral last Monday was attended by Nobel Peace Laureate Lech Walesa and several other members of the banned Solidarity trade union.

PZPR Secretary Rakowski Interviewed
AU1107191988 Vienna VOLKSSTIMME in German
9 Jul 88 p 3

[Statements by Mieczyslaw Rakowski, secretary of the PZPR Central Committee, made during a "recent" interview with several journalists, including VOLKSSTIMME representative Ernst Fettner, in Warsaw: "We Will Not Raise the White Flag"]

[Text] We must always ask ourselves in what stage of the reform we are and check whether the path we have chosen is correct. There are objective reasons for the permanent difficulties, such as insufficient imports of raw materials for our industry and the high level of external indebtedness. But there are also subjective causes: People have not yet become aware of the changes.

Attention must be devoted to competition in the enterprises, and payment according to performance must become a reality. Those who work more and achieve a better quality should get more money. Egalitarianism must be eliminated because the individual's responsibility has not been clear so far.

To achieve a new quality in the approach toward work, at least one more generation will be required. Forty years of "centralization" have changed the consciousness. Without any doubt it will take a long time to change certain structures.

The Role of the Party [subhead]

We are in a transition period within socialism. It is not easy for the party to maintain its role as a vanguard because it is identified with its past mistakes by the population. The war generation is dying out. The post-war generations take a more practical attitude; they want to achieve socialism "at a lower price." Their demands regarding the party are different; therefore they take a more critical attitude. But this is not a bad thing.

On Recent Elections [subhead]

During the recent local elections one could choose from several candidates for the first time. When considering the high level of general dissatisfaction with the material situation, one can be satisfied with the results. From the party's standpoint, we are less satisfied, particularly with the low voter turnout (56 percent). In the past, however, the Western media have ridiculed our "99.9 percent voter turnout"; and now 50 to 60 percent is a bad result. In any case, we have more democracy now, we have real election campaigns. The communists will have to get

used to the idea that people reject them. They will have to deal more with the living conditions of the working people and assert their position in contest with other candidates.

Solidarity and Walesa [subhead]

Pluralism within the trade unions is basically possible. The corresponding law (1982) however has been abolished again. The reason is that—as happened in 1981—a renewed tough struggle among the working people would be provoked. Whose interests would be satisfied by this? It would only serve the interests of certain people from Solidarity and their friends abroad. But the price would have to be paid by the Poles.

We consider Solidarity a closed chapter of recent history even if we know that it still represents a strong force in our country. The reforms that we have launched go beyond what Solidarity demanded in 1981. The majority of Solidarity members have joined the new trade union; this does not only apply to simple members but also to activists who have largely lost the influence they had 3 or 4 years ago. This became clear during the most recent strikes in Gdansk, Nova Huta, and other enterprises. They were strongly exaggerated in the West.

Many conflicts could be avoided if the authorities and the administration would react more sensitively and in a less bureaucratic manner to the working people's justified demands. The tendency toward generalizations must be eliminated. We had great slogans and forgot the people behind them.

Walesa continues to chant like a street organ: "Reforms, reforms." If one asks him what kind of reforms he means, he has no original thought, no constructive program except for the call for the legalization of Solidarity. But as a matter of fact, numerous former Solidarity members participate in our reform programs and in the corresponding committees. Attempts to negotiate with Walesa have yielded no results so far because he says different things all the time. Most of the time what is suggested to him by the Western press. I think that he will find the correct way because he knows that he has lost credibility.

Opposition, Church, and Youth [subhead]

The opposition draws its strength from social and economic dissatisfaction. In our country an open language prevails today: Everybody writes what he wants, travels wherever he wants, comes back, and has nothing to fear. We must rule in a democratic manner.

Neither the church nor the party exerts the decisive influence on the young. The young are basically frustrated. They have adopted the same values as the young in other countries. Their demands have grown, and their needs are increasing. It is not easy to motivate them. In all that, an important criterion must not be overlooked

in comparison with the West: In Western countries the unemployment rate among the young is exorbitant; in our country the young can choose from 300,000 vacant workplaces.

On CEMA [subhead]

Generally, we play one tune in the CEMA orchestra, but every state intonates its own melody. In view of the different historical developments of the individual socialist countries, it will take a long time until a unified course will be achieved. The division of labor within CEMA did not work. Every country believed that it had to develop its own heavy industry or to build its own cars, despite the fact that in Scandinavia, for example, only one country produces cars. CEMA included some semi-colonial countries. And in addition to that the borders were too strictly guarded for fear that tourists would buy everything. In this sphere obstacles must be removed, and a more favorable climate of cooperation must be created.

One weak point of our perestroika [Russian word used] is our high level of indebtedness. It will not be possible for my generation to remove it. The West has a stranglehold on us, but we will not hoist the white flag.

Political Emigration [subhead]

Emigration is not purely political. We regret the great loss of well-trained people. It is a pity, but we do not want to and cannot stop them from emigrating. When we succeed in improving our economic conditions, people will come back. In general, Poles are very homeloving people.

What Kind of Socialism [subhead]

Everywhere we must shift the emphasis from the head to the legs. Wishful thinking must be replaced by reality. We used to have a very dogmatic attitude. It is not a question of "if" but of "how;" socialism must have a face that people accept. We have practiced a kind of socialism in which the state takes care of everything from birth to death. This was a mistake. Now, when we tell people that they are responsible, that the way they work is the way they live, we often get the answer: What kind of socialism is this? And indeed, the reforms have brought to light contradictions that we have overlooked all the time. We are facing tough and difficult tasks. But I am convinced that we will succeed in solving them.

Economists Outline Government Failings
26000453 Krakow TYGODNIK POWSZECHNY
in Polish No 25, 19 Jun 88 pp 1, 4

[Article by Ryszard Bugaj and Andrzej Wielowieyski:
"In View of Shrinking Opportunity"]

[Text] 1. The performance of the Polish economy in the past year, 1987, was the worst after 1982. The trend of stagnation came markedly to the foreground. To be sure,

the GUS [Main Statistical Administration] announced that national income per capita increased by about 1 percent. However, a decline by 1 to 2 percent is likely to have actually occurred, if we take into account the clearly underestimated rate of growth of prices and continuing deterioration in the quality of goods. Real wages fell by 4 to 5 percent. The rate of inflation increased considerably, despite the markedly deteriorating lack of equilibrium. Consumer behavior is characterized by the propensity to avoid saving in any way possible. Given a very small increment in supply, this resulted in a precipitous decline of stocks in trade [units]. Also, our debt to Western nations increased very markedly, whereas the deficit in trade with the USSR was reduced to practically zero.

2. At the beginning of 1988, the Polish economy is still in an acute crisis. The level of production activities is more or less the same as the one previously achieved 12 years ago. Per capita national income is still 13 percent below that achieved in 1978. National income to be distributed declined even more. Real wages are one-fifth lower compared to 1980. Hard currency indebtedness increased by over 60 percent compared to 1980, while the ability of our economy to service it has been decreasing markedly for several years.

Also, other crisis features of the Polish economy have become more acute. The technological gap is growing in a cumulative manner. A dramatic process of environmental degradation has been developing rapidly. Spontaneous processes of capital assets depreciation, as well as that of technical and social infrastructure, are underway, despite the share of investment in national income growing again for several years. To a large degree, this is a consequence of the improper structure of investment. The desirable restructuring of the economy is still blocked. The Polish welfare state is increasingly anemic. It does not guarantee its citizens an elementary level of benefits of the health care and education. However, it is the housing situation of a considerable segment of our society that is particularly dramatic.

3. Unfortunately, the alarmist views of the consequences of decay in the Polish economy for the elementary interests of the Polish nation and state are not at all exaggerated. A threat to [the achievements of] civilization is a fact. There are many indications that Poland has already retrogressed a lot on a historic scale. After a temporary, relative improvement in the situation paid for by great social sacrifices, we are again a backward country ranking among the lowest in Europe. In the future, a tremendous effort by our society and a long period of time will be needed to close the gap already in existence, even if a relatively favorable situation occurs.

The current decay of the Polish economy is for the most part due to the protracted existence of an entirely irrational system of economic operations. This system, used in the extreme Stalinist forms in the late forties-early fifties, has been modified only marginally, and has not lost its identity until now.

Likewise, the changes made in recent years have failed to eliminate the fundamental contradictions, though they have gone further than ever before. [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 3 (DZIENNIK USTAW No 20, item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204). Traditional forms of the command-and-allocation mechanism have been eliminated to a large degree; however, enterprises are still dependent on the power centers. The economy is still pathologically politicized, while the use of market instruments, albeit to a very limited extent, is attempted in the environment of inflation and continuing, pronounced disequilibrium. As a result, the enterprises have neither a strong incentive to streamline their operations internally nor, in general, even a potential opportunity to do this.

4. The statement that a profound reform of the system in the 1980s is a relatively easy undertaking would certainly be demagogic. On the contrary, the crisis, as a consequence of development in the previous decade, has been and continues to be an obstacle. This factor also prompts us to take a skeptical stand on the view that a rapid and profound improvement in the Polish economic situation will occur if radical systemic changes are implemented. At the same time, it is beyond any doubt that authentic changes could have gone considerably further, and it was possible to make great progress in overcoming the crisis.

[Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204). Implementation of the reform fell under the complete control of the power apparatus. Objective interests of this apparatus, especially at the lower and medium levels, prompted it to slow down and boycott the reformist changes. The leading political centers did not counteract vigorously the pursuit of interests of their own apparatus. [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204).

The obstruction in the political sphere was also decisive for the attitudes towards the reform of large social groups, and especially the most active communities. The lack of essential political changes belied the verbal reformist determination of the authorities, and thus ruled out incentives for the society-oriented social actions, making it difficult, in particular, to carry out necessary, but socially burdensome undertakings (entailed primarily by restoring the equilibrium). It should also be stressed that the inadequate economic policy had political causes as well. To an immense degree, the investment policy was subordinated to the pressures of central and local bureaucratic lobbies working in secret. In turn, the price policy was to a great degree determined by the concerns of special interest groups. This is likely to be the reason why raising [the

prices for] basic goods is emphasized first of all, whereas the prices of higher-order goods, which are largely distributed through allocation vouchers, have been kept well below the level of equilibrium prices.

5. Beginning in 1986, certain new symptoms appeared in the attitude of the authorities towards the reform. It was basically recognized that undertakings to date had ended in failure. A radicalization of the program of reform was announced, as well as certain changes which until that time the authorities had appeared to rule out for ideological reasons (granting equal rights to ownership sectors, some market institutions). It was stated publicly that there is *iunctim* [linkage] between changes in the economic and political systems. These verbal announcements were made credible to a degree by shifting accents in the actual policy of the authorities. The amnesty, more restrained use of the censorship and a more liberal foreign travel policy should be noted in the first place in this regard. Therefore, there were some reasons to assume that the authorities had come to understand the absence of an alternative to the policy of radical reforms. It was also possible to view the opportunity for the reform as increasing due to the modernization course of the Gorbachev team, which, it could be expected, would weaken the position of conservatives in the authorities.

Unfortunately, the observation of what has been going on since the announcement of the so-called second stage of the reform gives no cause for optimistic expectations [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204))

The program is issue number one. Its basic elements still have not been mapped out unambiguously, and in actual practice we can easily notice actions definitely running counter to the supposedly prevailing reform course. Here are several examples. Guarantees of equal rights to various ownership sectors are talked about officially, but a more specific interpretation of this statement is lacking. It is suggested to create conditions for unhindered operation of employee self-management and its their expanded jurisdiction, [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204))

A great deal is said in the program of the second stage of the reform on expanding the market mechanism. This obviously involves liberalizing the price [setting]. However, at the same time, an entire complex system of bureaucratic control over contract prices is set up and political pressure on enterprises is arranged. This blocks adjustment through the market and essentially preserves the situation of disequilibrium. At the same time, the inflationary spiral is boosted by drastic increases in the official prices of the basic goods and services.

Examples showing that the program of current changes has not taken shape yet may be multiplied, but it is more important to show potential consequences of this. It should be expected that, in view of obscure statements on fundamental issues, the program of the reform in actual practice will be interpreted by the bureaucracy, obviously in keeping with its own interests. We should also expect the lack of cohesion in the actions undertaken. Also, the program in its present shape can hardly be expected to become a factor capturing the imagination of our society.

The other group of danger [factors] for the implementation of the second stage is associated with the fact that the political scene has not undergone transformation. [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204)). Therefore, from the standpoint of the economic reform, the alignment of forces on the political scene does not differ from the one existing in 1982 through 1985, the consequences of which for the reform are known.

It appears that the widespread preservation of the attitude of inconfidence and disbelief in the possibility of actual changes is a consequence of the lack of progress in democratizing social life and of clarity regarding the program of changes in the economic sphere. Same as in the past, this is a factor precluding social involvement and making socially burdensome changes difficult.

Major dangers to the success of the current stage of changes are also posed by the condition of the economy itself. In this field, three issues appear to be fundamental: disequilibrium, the investment policy and indebtedness. The economy is in a state of marked disequilibrium, and the inflationary trend has been given a large boost. [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204)) Giving an absolute priority to reducing subsidies for staples appears to be the essence of price policy. This brings about a rapid growth of their prices and generates strong, understandable and fully justified social pressure for securing adjustments in income. At the same time, the authorities did not bring themselves up to the policy of equilibrium prices for manufactured industrial products, which means that disequilibrium in this market with all its negative consequences remains. As a result, we should expect a very high rate of inflation, most likely over 50 percent, with marked disequilibrium persisting at the same time. It is hard to imagine conditions less favorable for beginning a market-oriented reform. It is clear that the performance of enterprises is going to be highly unreliable, and that it will reflect the existing position in the market rather than the result of improved management. After all, it should be remembered that the structure of the economy remains monopolistic, and that the pathological politicization of the economy facilitating

the "softening" of financial restrictions remains. Under such conditions, generating an expansive spiral of prices and wages (incomes) is very likely, which may pose the danger of even three-digit inflation, as evidenced, for example, by Yugoslav experience. In this event, it will be easy to mount a propaganda campaign in the name of social interest and employ yet again the proven methods of manual steering.

The investment policy is the next issue. Proposals for changes in this policy still have not been released, despite strong pressure by public opinion, and despite official declarations as well. The investment program is still marked by the enormous prevalence of centralized investment projects (often foisted on enterprises in the guise of their own projects). As a result, this brings about the low efficiency of investment and promotes strong inflationary pressure. However, another consequence is the most important from the point of view of the reform: Disequilibrium in the investment market hinders in a major way the process of market adjustment by modernization investment projects and opening up the "bottle-necks." Consequently, this facilitates the constancy of monopolistic structures and, obviously, hampers increases in supply.

The tremendous indebtedness of our economy may be expected to produce similar consequences. First, we should reckon with the necessity to increase debt service. In the case of debt to the USSR, the plan provides not only for making interest payments, but also beginning principal repayment. With regard to our debt to the West, we should reckon with the need to increase interest payments at the very least. At the same time, the situation of Poland as a debtor makes hopes to obtain commercial credit illusory. Thus far, international government organizations have also behaved very cautiously.

A continuation of this situation would mean that during the period of "starting up" the reform we will have to face a growth of the debt burden on the economy rather than an additional influx of hard currency funds which should facilitate market adjustments, enhance supply and restrict the consequences of monopolization in the economy. This would entail growing inflationary pressure and hamper considerably increases in production.

An analysis of the situation at the outset of "the second stage" in its entirety prompts us to resolutely put forth a warning projection. If major changes do not occur soon, we should expect the development of a situation generally similar to that in 1982 through 1987. However, the rate of inflation will certainly be incomparably higher, and stagnation tendencies will grow stronger. In this event, we should also expect highly unfavorable consequences in the sphere of social attitudes and the loss of what hope is still there.

It appears likely that the mechanism of operation of the Polish economy will evolve towards the Yugoslav model, which is based on technical use of a wide array of market

instruments and, at the same time, profound politicization of the economy, bringing about a resolution in the conflict of interests through inflationary income generation. We should stress with emphasis that embarking on this mode of operation is now highly likely, whereas extricating ourselves from it will be extremely difficult.

With all the dangers to the reform looming over us, we should also be aware of certain factors favoring it. Two circumstances appear essential in this regard. [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraphs 2,3,6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204). It is difficult to conceive of a return to the classic arrangements, the same as "after October [1956]" and "after December [1970]" (after all, even then this return was not complete). At the same time, the system in its present form does not guarantee political stability. Therefore, the authorities cannot give up the reform program [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204).

The congruence of potential changes in Poland with the modernization course of M. Gorbachev is the second favorable circumstance. Clearly, it appears to be beyond a doubt that a sensible program of reform in Poland should go considerably further. However, at the same time it does not appear that this necessary minimum of changes in Poland can now run into Moscow's categorical objections. Therefore, basic obstacles for the reform are internal in nature.

Therefore, despite everything, the opportunity for modernizing the system is now greater than in the course of previous attempts. However, if "the second stage" were to end in failure, not only a deterioration of the economic situation and, probably, political destabilization will occur, but also opportunity will diminish for making another attempt.

A considerable segment of our society (also of the most active communities) is already very tired of reform expatiations, and is also inclined to view the failures with a little bit of masochistic satisfaction. Though completely understandable, this psychological attitude is dangerous.

Independent communities should do everything possible to prevent the failure of the changes currently being made. Despite all the risk associated with supporting the changes now sponsored by the authorities, an alternative more favorable for the interests of the country still cannot be seen. We want to stress with emphasis our

belief that the failure of the current attempts at reform must bring about a protracted impasse, with its negative consequences being hard to predict.

Some kind of cooperation between the government forces and the independent communities could be of major significance. The existence of elements of such cooperation could facilitate the achievement of a social consensus on the reform program. In that event, social acceptance of the burdensome elements in the reform program would become more likely. A coordinated reform program would be seen as more credible both by the Polish society and abroad. The standing of pro-reform forces will be enhanced (also within the body of authorities). The credibility of Polish authorities in economic contacts abroad would increase, and foreign public opinion would certainly show a greater understanding for our dramatic economic problems.

However, at present not only is any cooperation between the independent communities and the authorities lacking, but in principle there is not even ground for contacts between them. Moreover, there are no signs that the authorities view such cooperation as expedient and desirable. In spite of this, it appears that the offer to cooperate on the reform and on overcoming the crisis should be tendered by representatives of independent communities, as authoritative as possible. [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204))

A similarity of views on the basic elements of the reform program should be the first condition for genuine cooperation. Certainly, considerable differences of opinion on this matter may also arise within the body of independent communities. Assuming that the stand of independent communities should be the result of internal compromise, we propose 10 fundamental principles of the reform and the anti-crisis program as a point of departure for the discussion.

(1). Changes in the economic sphere should be coupled with the democratization of the political system. The minimal extent of political changes should make possible genuine operation of social pluralism. Therefore, it is necessary, at least gradually, [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 2 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204)) making it possible for associations to be formed and operate outside of the control by administrative echelons, creating legal and material conditions for the unhindered operation of public opinion [Censored material] (Law of 31 July 1981 on the control of publications and performances Article 2, Paragraph 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204))

The implementation of political changes outlined here would provide a modicum of conditions for at least partial, indirect control over the economy by society, create conditions for reconciling divergent interests and favor increased social involvement.

(2). In the economic sphere, the main goal of the reform should be to transform the regulatory system in such a way that the market would play a decisive role in it. This calls for implementing an array of transformations, among which major restrictions on centralized price controls, abandonment of allocating materials, profound restrictions on customizing the rates of taxation (reductions of the extent of tax relief and other facilities) are of fundamental significance. In addition: a reduction of the scope of investment funds controlled from the center, commercialization of the banking system, counteracting monopolization, and so on. Central management of the economy should be restricted to outlining strategic development goals and the means of economic policy facilitating their attainment. Therefore, the market should be subject to central regulation via the economic instruments and, especially in the field of social and technical infrastructure, direct investment powers. However, the extent of such regulation cannot amount to an unrestricted manipulation by market instruments.

(3). Conditions should be created for the property structure of the economy to evolve towards a pluralistic one. It is necessary to guarantee equal development opportunities to state, cooperative, municipal and private enterprises. The share of individual property sectors should not be decreed administratively, nor should the size of enterprises in individual sectors. Equal conditions for competition among the sectors should be guaranteed first of all in taxation (both of the funds allocated for accumulation and for consumption), access to raw and other materials, sales of products, access to credit, and free access to the market. Genuine opportunities for cooperation between enterprises belonging to different sectors and for the transfer of capital should exist. In principle, all restrictions on setting up and registering new enterprises should be abolished; also, facilities should be created for transferring assets among enterprises and sectors. It is necessary to endow local self-government with the rights of corporate persons as soon as possible.

(4). Employee self-management should be the comprehensive form of realizing the right of employees to co-manage state enterprises (participate in the ownership of enterprises). It should be endowed with extensive powers, and in particular the right to decide on filling the positions of enterprise directors. Likewise, the right of self-management bodies to come to an agreement among themselves, create their own representation and undertake joint action should not be restricted. Restrictions on employee self-management rights can only be exceptional in nature, and the powers taken away from self-management cannot be transferred to the central bureaucracy.

(5). The extent of welfare functions of the state should not be restricted. However, it is necessary to streamline and, to a certain degree, place the system of providing services on an economic foundation, especially to eliminate the socially unjustified privileges for some groups. The Polish welfare state should offer more realistic guarantees of equal opportunity than it has thus far. This means primarily the need for a major improvement in health care services, equalizing and improving the standard of education, expanding benefits to families with dependent children (particularly numerous). Ensuring elementary housing conditions for the poorer population groups should also be among the welfare functions of the state. The state should also retain the responsibility for resolving the housing issue with regard to the entire populace (programs of housing construction should receive additional funding and incentives for releasing new social energy). Assuming that the market mechanisms are set in motion and the restructuring of the economy is accelerated, it might be expected that a small segment of employees will lose their jobs temporarily. Funds should be guaranteed for this group of employees to completely meet their living needs.

(6). Restoring the equilibrium should not bring about a significant deterioration in the standard of living of poorer and medium-income population groups. Reducing subsidies should not be the priority goal of the price policy. It is not going to be a misfortune if the total amount of subsidies relative to production remains at the same level for several years. However, it is necessary to change the structure of subsidies so that it would facilitate putting production and consumption on an economic foundation. Facilitating the formation of prices bringing supply and demand into balance should be the priority goal in restoring equilibrium. In particular, equilibrium prices for higher-order goods should be in effect with no exceptions. Arriving at the equilibrium should proceed as a result of tax policy and of a free play of demand and supply. A system of automatic indexing of basic wages and benefits to the inflationary growth of prices should be in effect. Due to the threat of generating a price-and-income cycle, the automatic adjustment should not extend to alcohol, tobacco and products conditionally classified as luxuries. It is necessary to use a progressive income tax on family [income]. We should strive for the apparently unavoidable temporary decline in real income not to affect the poorest social groups. However, it is an illusion to expect that equilibrium will be restored and normal currency will exist without any sacrifices by the populace.

(7). Priorities of the investment policy should be changed profoundly. High levels of financing for the heavy and extractive industries, forced by their lobbies, should be reduced. In particular, financing for the procurement of energy carriers should be replaced by financing for savings in their consumption. The program of central investment should be evaluated by independent experts. Other projects of investing in production should be subjected of the test of microeconomic calculations and carried out exclusively at the risk of enterprises.

(8). The issue of counteracting the ecological disaster should be made a tactical priority. The allocation of funds for solving this problem should be increased considerably, even if this were to bring about a temporary drop in the rate of [economic] growth. The issue of protecting the atmosphere from gaseous pollution should be faced resolutely. This should be accomplished primarily by installing sulphur scrubbers in the power industry rather than by building up the nuclear power industry, which is incredibly capital-intensive and engenders the risk of a disaster with incalculable consequences.

(9). It is necessary to develop a realistic program for resolving the debt issue. As far as the debt to the West is concerned, the program cannot be based on the unrealistic hypothesis that in 1991 a foreign trade surplus equal to total interest payments will be achieved. We should urgently seek an opportunity to reduce the burden of Western debt through non-conventional means. In particular, we should present to the creditors an offer program of transforming a segment of the debt into investment. The effort to obtain currency funds should not be stimulated by maintaining and forcing up the black market exchange rate of Western currencies and expanding the dual currency monetary system. This approach does not only bring tremendous social and economic losses, but also fails to facilitate an improvement in the balance of payments in the long run. Actions aimed at a gradual introduction of convertibility of the zloty should be made a priority.

As far as the debt to the USSR is concerned, it is relatively small by comparison; it was accumulated almost entirely due to the movement of prices unfavorable for Poland. Despite this, the trade balance is to be equalized as early as this 5-year period. [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 3 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204)). It would be fair to accept that the amount of surplus in the turnover of trade (it is currently even for practical purposes) should grow in future years not faster than the amount corresponding to the improvement of the price structure in favor of Poland. [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 3 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204)).

(10). Implementation of the reform calls for genuine cadre changes at the top levels of managing the economy. This is one of the conditions for [making] the reformist orientation of the authorities credible. It is also necessary to work out an authentic program of budgetary savings [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraphs 5, 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204)).

[Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraphs 2, 3, 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, item 204). As the experience of the years 1982 through 1987 has shown, unpopular changes, which are a necessary component of the reform, cannot be implemented without the support of society [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraph 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204). On the other hand, society certainly cannot carry out the reform without the authorities. Thus, the lack of elements of joint action, at least in the decade of the eighties, is the basic cause of the impasse. This impasse may only be broken when elements of joint action with society appear. The point of departure for such joint action should be, on the one hand, to take regard for the structural position of communist power in Poland, and, on the other hand, to recognize the need to meet the democratic aspirations of society. It is necessary to adopt the principle of self-restraint. In the case of society and independent communities, self-restraint should mean moderation in [pursuing] political and financial claims. In the case of the authorities, self-restraint should

amount primarily to giving up the current scope of governance, [Censored material] (Law of 31 July 1981 on the control of publications and performances, Article 2, Paragraphs 2, 6 (DZIENNIK USTAW No 20, Item 99, amended: 1983, DZIENNIK USTAW No 44, Item 204). In both cases, it is necessary to create a necessary system of guarantees and safeguards.

Footnotes [subhead]

1. The sums actually paid on account of the hard currency debt have been greater than the foreign trade surplus, since the surplus of transfers has been growing rapidly. However, this phenomenon only appears to be favorable, because it is caused by the extremely high black market exchange rate of the dollar and the spread of a de facto dual currency system. This engenders very extensive unfavorable consequences, economic and social.
2. The promise given to the IMF to achieve a foreign trade surplus equal to interest payments in 1991 is obviously unrealistic. The question, however, is what the consequences of a failure to meet the obligations are going to be.

Economic Commission With CSSR Opens
AU2107173988 Bucharest AGERPRES in English
1628 GMT 21 Jul 88

[Text] Bucharest, AGERPRES, 21/7/1988—The ninth session of the Joint Romanian-Czechoslovak Governmental Commission of Economic, Technical and Scientific Collaboration started in Bucharest on Thursday, 21 July.

In keeping with the understandings covenanted and decisions made during the Romanian-Czechoslovak summit interviews and talks, the two parties to the commission led by Romanian First Deputy Prime Minister Ion Dinca and Ladislav Gerle, minister of metallurgy, heavy engineering and the electrotechnical industry of the Czechoslovak Socialist Republic, survey the current stage of bilateral economic ties, new ways and actions conducive to the further growth of the economic, technical and scientific cooperation and collaboration in spheres of joint interest, to the expansion and diversification of mutual goods exchanges.

Economic Commission Session With Iran Opens
AU2107173988 Bucharest AGERPRES in English
1626 GMT 21 Jul 88

[Text] Bucharest, AGERPRES, 21/7/1988—The sixth session of the Joint Romanian-Iranian Commission of Economic and Technical Cooperation and on Trade started in Bucharest on 21 July.

The two delegations led by Radu Balan, chairman of the State Planning Committee of Romania, and Ma'sud Roghani Zanjani, minister for plan and budget of the Islamic Republic of Iran, analyze the current stage of the Romanian-Iranian economic relations and the possibilities and ways of further boosting them.

The same day, Romanian Deputy Prime Minister Stefan Andrei and Ioan Ungur, minister of foreign trade and international economic cooperation, had an interview with the Iranian minister.

Questions were approached related to the growth of Romanian-Iranian economic cooperation and collaboration in domains of common concern, the increase and diversification of mutual goods exchanges.

The guest also had an interview with Radu Paunescu, minister of the machine-building industry.

Ceausescu Meets Iran Plan Head
AU2107175888 Bucharest AGERPRES in English
1712 GMT 21 Jul 88

[Text] Bucharest, AGERPRES, 21/7/1988—Thursday, 21 July, Romania's President Nicolae Ceausescu received in Neptun Resort Ma'sud Roghani Zanjani,

minister for plan and budget, co-chairman of the Joint Romanian-Iranian Commission of Economic and Technical Cooperation and on Trade that is holding its proceedings in Bucharest.

A message was handed over to President Nicolae Ceausescu and warm greetings and wishes of success in his activity were conveyed to him from the president of the Islamic Republic of Iran, Seyyed 'Ali Khamene'i, as well as wishes of welfare and prosperity to the Romanian people.

President Nicolae Ceausescu thanked and requested that his friendly salute and best wishes be conveyed to the president of the Islamic Republic of Iran. He also conveyed wishes of success to the Iranian people in the socioeconomic growth of the country, in the consolidation of independence and the achievement of peace.

During the interview, possibilities were examined of further developing the Romanian-Iranian cooperative ties, especially economic and technical-scientific collaboration, with emphasis on the major contribution the joint commission can make to setting new ways and means of action for its expansion by concluding long-term agreements apt to confer stability and perspective on the relations between the two countries.

International political issues were also approached with special stress on the situation in the Gulf. In that context, President Nicolae Ceausescu welcomed the decision of the Islamic Republic of Iran to accept the UN Security Council's Resolution 598 and expressed his belief that everything would be done to end the Iran-Iraq war without delay as it caused great suffering, casualties and damage to both peoples, and to immediately pass on to solve the problems between the two countries by political means, through negotiations, for the establishment of a lasting peace in the area.

Ceausescu Receives Jamaican Envoy's Credentials
AU2107175088 Bucharest AGERPRES in English
1656 GMT 21 Jul 88

[Text] Bucharest, AGERPRES, 21/7/1988—Romania's President Nicolae Ceausescu received Thursday, 21 July, Glaister G. Duncan who presented his letters of credence as ambassador extraordinary and plenipotentiary of Jamaica to Romania.

In his address the ambassador points to Jamaica's willingness to consolidate its cooperation with Romania both bilaterally and internationally.

In his address of reply Romania's president underscores the possibilities of deepening and more broadly developing the collaboration between the two countries and peoples, in the mutual interest, and in the interests of the cause of progress and peace throughout the world.

Dobrescu, Stoian Meet Zairian TU Delegation

*AU2007191488 Bucharest AGERPRES in English
1758 GMT 20 Jul 88*

[Text] Bucharest, AGERPRES, 20/7/1988—Upon the invitation of the Central Council of the General Trade Union Confederation of Romania [GTUCR], a delegation of the National Union of Working People of Zaire (UNTZA) led by Kombo Tonga Boke, member of the Central Committee of the Revolutionary People's Movement, UNTZA general secretary exchanged experience in Romania over 16-20 July 1988.

The Zairian TU delegation conducted talks with a TU delegation of Romania led by Miu Dobrescu, member of the Executive Political Committee of the CC of the RCP, chairman of the GTUCR Central Council, and saw round economic units and sociocultural establishments in Bucharest and in Arges and Brasov Counties.

During the talks, opinions were exchanged at length on the two countries' economic and social development and on the activity carried on by the TU bodies and organizations in Romania and Zaire.

During their stay in Romania, the UNTZA delegation had talks at the Headquarters of the CC of the RCP with Ion Stoian, alternate member of the Executive Political Committee, secretary of the CC of the RCP.

Zairian Visit Summed Up

*AU2107114788 Bucharest AGERPRES in English
1055 GMT 21 Jul 88*

[Text] Bucharest AGERPRES 21/7/1988—Invited by the Central Council of the General Trade Union Confederation in Romania (GTUCR), a delegation of the National Union of the Zairian working people, headed by Kombo Ntonga Booke, member of the Central Committee of the Popular Movement of the Revolution, secretary general of the National Union of the Zairian Working People, paid a swap-of-experience visit to Romania over 16-20 July, 1988.

The Zairean trade-union delegation conducted talks with a GTUCR delegation headed by Miu Dobrescu, member of the Executive Political Committee of the CC of the RCP, chairman of the GTUCR Central Council, visited economic and social and cultural units in Bucharest municipality and Arges and Brasov counties, and conducted talks with representatives of working people's councils and trade union activists.

During the talks the sides exchanged views at length on the economic and social development of the two countries and in relation to the activity carried out by the trade union bodies and organizations in Romania and Zaire. Both sides underscored the decisive importance of the interviews and talks between RCP general secretary Nicolae Ceausescu, president of the Socialist Republic of Romania, and Marshall Mobutu Sese Seko, founding president of the Popular Movement of the Revolution, president of the Republic of Zaire, for the development

of the ties of friendship and collaboration between the two countries and peoples. The sides expressed mutual satisfaction at the good ties of friendship and militant solidarity established between the working people and the trade unions in Romania and Zaire, the resolve to develop them in future in the interest of the working people in the two countries, of the cause of peace and understanding throughout the world.

The two delegations underscored the importance, under the current international circumstances, of strengthening the unity of action of the international trade union movement in the struggle fought by the progressive and democratic forces everywhere, by all the peoples, for halting the arms race and implementing disarmament, nuclear disarmament in the first place, for strengthening peace and developing international collaboration. At the same time they pointed out the need for a more active participation of the world trade union movement in solving—in the interest of the working people, of peoples—the grave economic and social problems, inclusive of the foreign debt issue by substantially cutting on the rates of interest, in eradicating underdevelopment and building a new international economic order, in eliminating for good any manifestation of the colonialist and neocolonialist policy of apartheid and racial discrimination.

While in Romania, the delegation of the National Union of the Zairian Working People conducted talks at the CC of the RCP, with Ion Stoian, alternate member of the Executive Political Committee, secretary of the CC of the RCP.

Modern Merchant Shipping, Cargo Handling Noted

*AU2107120688 Bucharest AGERPRES in English
1058 GMT 21 Jul 88*

[Text] Bucharest, AGERPRES 21/7/1988—Modern merchant shipping and cargo handling methods and technologies have been extended of late in Constanta Port, Romania's biggest seaport. Containers, palletization and packaging are used as well as unloading bridges of high capacity (2000 tonnes ore per hour) and conveyor belts.

Ro-ro cargo shipment has developed greatly. While in 1979, when the first berth for the landing of ships operated in the ro-ro system went on stream, only 359,000 tonnes were shipped, at present it ships more than 700,000 tonnes.

Accordingly, the number of seagoing vessels for this kind of shipment has increased, and Romania has now 15 like ships totaling over 70,000 DWT, among which the ro-ro vessels Bazias, Tutova, Peris, Pascani, which make current voyages to China, Colombia, Cuba, Turkey, Algeria. Constanta has now relations with 1200 ports.

Recently, a new berth has been completed in Constanta Port which [is] over 250 m long and is specially built for ro-ro ships. It is located near the ferry deck (opened this month) and is directly connected by a gangway to the international E 15 highway, Constanta-Vama Veche (Mangalia) section, which considerably helps the access of trailer trucks to the ship directly, avoiding the busy areas of the port.

Jansa Trial Adjourned Until 25 Jul

*AU2207073588 Ljubljana Domestic Service
in Slovene 1700 GMT 21 Jul 88*

[Text] The trial of Borstner, Tasic, Jansa, and Zavrl continued before the Military Court today. Igor Omerza, director of Mikroada, was examined as a witness. The military authorities again provided no report on the course of the trial, and therefore we summarize a TANJUG report.

TANJUG says that Igor Omerza was asked repeatedly whether the premises of his firm, where the incriminating document was found on Jansa's desk, were well secured, and he replied in the affirmative. He assured the bench that the premises of Mikroada are well secured because of their computer systems, so nobody can enter them unobserved.

In this way, the TANJUG report says, Igor Omerza tried to convince the bench that there was no chance that anybody could take the document from the premises unobserved.

Today was the fourth day of the proceedings, and the trial was not concluded. It will be continued on Monday, 25 July, at 0800.

SFRY Presidency Endorses Trial

*AU2207141488 Ljubljana Domestic Service
in Slovene 1330 GMT 22 Jul 88*

[Text] The SFRY Presidency published a statement today, saying that there has been no violation of the constitutionality and legality by the trial before the Military Court in Ljubljana. The Presidency published this statement in reply to the request of the Presidency of Slovenia that the trial before the Military Court should be conducted in Slovene.

The statement says:

The Republican Committee for Information of the SR of Slovenia has announced that the Presidency of the SR of Slovenia requested of the SFRY Presidency that, as the highest leadership and command organ of the Yugoslav Armed Forces, it should intervene to restore the constitutionality and legality in the conduct of criminal proceedings against Borstner, Jansa, Tasic, and Zavrl before the Ljubljana Military Court, with regard to the language in which the proceedings are conducted.

In this connection, the SFRY Presidency also received a telex message from the President of the Assembly of Slovenia dated 20 July, and a telex message from the Presidency of Slovenia dated 21 July 1988. On this basis, the SFRY Presidency requested and obtained, the opinion of respective federal organs to the effect that Article 3 of the Military Courts Law envisages that the proceedings before military courts be conducted in one of the languages and scripts of the peoples of Yugoslavia. On

this basis, the Ljubljana Military Court decided to conduct the proceedings in the case in hand in Serbo-Croatian, ensuring the right of the parties to use their language at the trial.

The constitutionality and legality have thus not been violated at the trial before the Ljubljana Military Court, the SFRY Presidency statement stresses.

The reply was sent to the Presidency of Slovenia yesterday, 21 July, from the Press and Information Office of the SFRY Presidency.

Trial President Makes Statement

*LD2107193488 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1433 GMT 21 Jul 88*

[Text] Belgrade, 21 Jul (TANJUG)—In connection with the trial of Ivan Borstner, David Tasic, Franci Zavrl, and Janez Jansa before the Council of the Ljubljana Military Court, which is accompanied by increased public interest, there have appeared among a section of the public some alleged uncertainties and dilemmas which, in objective terms, are an attempt to pressure the court, according to a public statement issued today by Major General Vojislav Susnjara, president of the Supreme Military Court.

There are obvious attempts to create an atmosphere which would present a fertile ground for speculation about the illegality and lack of authority of military courts in this and similar cases. Attempts to suspend the authority of legitimate organs are lightly declared a part of the democratic process, and consistent implementation of legality is seen as a method of destroying democracy. The escalated creation of negative political, legal-ethical, and emotive charge in connection with the trial before the Military Court in Ljubljana reached its peak with the initiative that some questions of the alleged violation of the sovereignty of republican organs should be discussed in the SFRY Presidency. In this area, three basic questions have emerged among a section of the public, and even in Assembly debates in the SR of Slovenia: Why is the trial not open? Why is the main hearing conducted in Serbo-Croatian? Why have the accused not received civilian defense? Although these questions have been mentioned individually during the hearing, and it cannot be disputed that the legal bases for their actual solutions are well-known even to those who have been raising them, I consider it necessary in this connection to stress the following: 1. The trial is not and cannot be public since this is a criminal procedure about the suspected betrayal of a military secret which contains particularly confidential information. Opening up the procedure to the public would irrevocably compromise the case. The trial would become superfluous, and the act of opening the hearing to the public would be identical to the criminal act for which the procedure is conducted. Trials before military courts are public to the same extent that trials are public before other courts. Article 5 of the Law on Military Courts prescribes that hearings

before military courts are public while the federal law prescribes in which cases. In order to protect a military or other secret and to protect morality, the public can be excluded from hearings. In the law on criminal procedure, Article 288, there are no differences between opening military or other (civilian) courts, since the reasons for excluding the public are identical.

In this particular case, the need to protect a military secret determined the openness of the proceedings, and the fact that the federal law places military and other courts on the same level prevents any kind of privileged or above-the-law status for military courts. The delicacy of cases they deal with demands from military courts not only consistent respect for legal principles, but also all other ethical norms and humane principles.

2. In connection with the often pointed out comment that the main hearing is conducted in Serbo-Croatian and not in Slovene, the president of the Supreme Military Court stresses: I must point out the fact that all of the accused whose mother tongue is Slovene have the opportunity to defend themselves in Slovene, since an interpreter has been present from the very beginning of the hearing and was also available during the investigative procedure. Therefore, all of the accused are in a position to follow the main hearing and to take part in it in their mother tongue, in accordance with the law. The claims that in this respect the trial is illegal in relation to the SFRY Constitution and the Slovene criminal legislature are unfounded since military courts are a constitutional category, and their existence is regulated by the SFRY Constitution. They are courts of the federation regardless of which part of the SFRY territory they exist, since the federation prescribes regulations about them.

The constitutional position, authority, and responsibility of military courts are defined in Article 221, paragraph two, and Article 222, paragraph two of the SFRY Constitution, and are discussed in detail in the Law on Military Courts and the rules of procedure for military courts of the first instance. According to these regulations, military courts are regular courts which, according to Article 281, paragraph 1, item 6 of the SFRY Constitution, are regulated and organized by the federation and they inform the SFRY Presidency about their work. The question of the language of proceedings in military courts is regulated by Article 3 of the Law on Military Courts and Article 21 of the rules of procedure for military courts of the first instance, in accordance with Article 246, paragraph 1 of the SFRY Constitution, according to which the languages of the nations and nationalities and their alphabets on the territory of Yugoslavia are equal. This is regulated in such a way that procedures before military courts are conducted in one of the languages and alphabets of the Yugoslav nations, while the court council makes a decision on each particular case. The parties have the right to use their own language, and if it is not the language of the proceedings they should be given the chance to have an interpreter. All of this has been ensured for the main hearing under discussion.

3. In criminal proceedings before military courts the accused has the same rights of defense as the accused in proceedings before other regular (civilian) courts. However, the law on military courts (Article 65, paragraph 4), describes exceptional cases when defense cannot be taken up by a civilian counsel. This applies to cases in which a military secret could be revealed during the proceedings, thus having grave consequences for the country's security. Therefore, civilian defense for the accused could not have been accepted for the same reason the public is excluded from the hearings.

In cases of trials concerned with military secrets whose revelation could have grave consequences for the country's security, it is also in the interest of the accused to have military defense since, as military persons, they are much more competent to defend the accused.

In view of all this, the question emerges why pressure is exercised on military judicial organs and their work hampered in a manner unprecedented in our judicial practice.

Why is the Ljubljana Military Court not allowed to work in peace so that its work in this particular case can later be validated and assessed in higher court institutions? I must stress that the assessment of the court's work and the legality of the proceedings in every constitutional and legal state can be made only by an appropriate court organ, says the statement by Major General Vojislav Susnjak, president of the Supreme Military Court.

Slovene Presidency on Trial

LD2107171888 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1528 GMT 21 Jul 88

[Text] Ljubljana, 21 Jul (TANJUG)—The Slovene Presidency today appealed to the SFRY Presidency in connection with the language used in the proceedings being conducted before the Ljubljana Military Court. In this respect, the Slovene Republic Committee for Information issued the following statement:

"The Slovene Presidency was today informed at its own request that the criminal proceedings before the Ljubljana Military Court against Borstner, Jansa, Tasic, and Zavrl are being conducted in Serbo-Croatian. The Military Court's decision to do this is contrary to the Constitution of Slovenia, regardless of the provisions of the federal law and the rules of procedure which determine the work of the Military Court. For this reason, the Slovene Presidency appealed to the SFRY Presidency, as the highest organ leading and commanding the SFRY Armed Forces, to urgently intervene in order to establish constitutionality and legality concerning the conduct of the above criminal proceedings," the statement reads.

Trial 'Harms' Army, Prestige
*AU2207082388 Ljubljana Domestic Service
in Slovene 1700 GMT 21 Jul 88*

[Text] The Human Rights Protection Committee released another statement to the public this afternoon. Among other things it repeats the assertions that the Military Court has on several occasions violated the rights of the accused during the trial. The statement adds that the conduct of (?the Military Court) has inflicted great harm to the prestige of the Yugoslav People's Army, the military judiciary, and the Yugoslav judiciary in general, as well as to Yugoslavia's prestige abroad. With this conduct, it discredited itself before its own citizens.

In its release today, the committee states that it never wished to request any state or political organ to unconstitutionally exceed its powers, but on many occasions it drew attention to the violations of the law in the court proceedings and expressed its expectation that those organs, in accordance with their powers, will ensure the rule of law and legal security of the citizens.

At the same time the committee withdrew its telegram which had called on the SFRY Presidency to intervene in the specific actions of the Military Court in accordance with the Presidency's powers, which the committee has been subsequently advised the Presidency does not possess.

The committee believes that Joze Smole, president of the SAWP of Slovenia, made a rash and unfounded statement which said that it is not possible to assert that the bench acted against the law. The committee's statement says that Smole's statement is even less understandable after the findings by the Law Chamber, the Criminal Law Chair of the Law School in Ljubljana, and the SAWP Initiative Committee for the Protection of Basic Rights and Freedoms.

Trial Watchers 'Dignified, Calm'
*AU2107144888 Ljubljana Domestic Service
in Slovene 1330 GMT 21 Jul 88*

[Text] The only source of information on the trial on Roska Street [in Ljubljana, of Jansa, Borstner, Tasic, and Zavrl] is still Franci Zavrl who is free while standing trial. Our reporter Milan Trobic has obtained the following report:

The trial of Franci Zavrl, David Tasic, Ivan Borstner, and Janez Jansa continued before the Military Court on Roska Street in Ljubljana. The only witness examined was [name indistinct], director of Mikro Ada.

After emerging from the courtroom, Franci Zavrl [words indistinct] a report on how the court proceedings had gone. He stressed that the proceedings were still in Serbo-Croatian and that (?the objections by) the defense were ignored. The trial has not ended and (?will be continued) at 0700.

Some 250 to 300 people gathered in front of the military court building this afternoon. They were peacefully following what was going on and (?mounted) an honor guard at the entrance to the military court building. [Words indistinct] which shows that the people have listened to the appeals by the Presidency of the SR of Slovenia, the SAWP Republican Conference, the Executive Committee of the City Conference of the SAWP of Ljubljana, and the Human Rights Protection Committee and are as dignified and calm as possible.

Mikulic Proposes Government Changes
*LD2207105588 Belgrade TANJUG in English
0908 GMT 22 Jul 88*

[Text] Belgrade, July 22 (TANJUG)—Yugoslav Premier Branko Mikulic today proposed changes in six government departments. It is the second reconstruction of the Yugoslav Government this year.

Mikulic proposed Dr Rado Bohinc as head of the Economy Department and Franc Horvat as head of the Tourism Department. Both are new government members.

Mikulic today informed the Yugoslav Socialist Alliance Presidency of the proposed changes. The Socialist Alliance is Yugoslavia's largest sociopolitical organization which is also concerned with cadre policy.

Mikulic proposed that government member Dragi Danev occupy the vacant post of secretary for transportation and communications. He proposed that Dr Stevo Mirjanic, Dzevad Mujezinovic, Jova Panajotovic, and Boris Rikalovski and Miodrag Mirovic be relieved of government duties.

The proposal for the reconstruction of the Yugoslav Government is to be approved by the Yugoslav Assembly.

Presidency Statement on Economy, Iran-Iraq War
*LD2107162788 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1134 GMT 21 Jul 88*

[Text] Belgrade, 21 Jul (TANJUG)—The SFRY Presidency warns of the need for prompt measures to assist in the fulfillment of the main goals of the country's economic policy for this year. These are primarily the measures to revitalize and increase industrial production, and to curb and cut inflation.

The following statement was issued after the session:

"At a session on 20 July, presided over by President Raif Dzidarevic, the SFRY Presidency discussed an FEC report on the current economic trends. The discussion was held in line with the SFRY Presidency's established practice of regularly assessing the situation with regard to topical issues and problems in implementing the economic policy and carrying out economic reform.

According to the FEC report, current economic trends have been characterized by increased exports and foreign currency earnings, the successful functioning of the foreign currency market, very good results in agricultural production, and by the supply of agricultural produce. It was noted, however, that the main goals of the economic policy, that is, to revitalize and increase industrial production and, in particular, to curb and reduce inflation, have not been fulfilled.

The SFRY Presidency again warns of the need for prompt economic measures to increase production, particularly the production of goods for export, and of the need to make this the main direction of the country's economic activity. The SFRY presidency has asked the FEC to carry out a comprehensive analysis of all aspects of the efforts to curb and cut inflation, so that in the second half of the year, action to achieve this goal can be intensified and made more efficient.

The SFRY Presidency welcomes the decision by the Islamic Republic of Iran to accept Security Council Resolution 598 on ending the Iraq-Iran war. It said this would contribute to the efforts to create conditions necessary for ending this tragic conflict between two nonaligned countries, with which Yugoslavia has friendly relations. The SFRY Presidency firmly believes that both sides, in light of this new development, would restrain from any military actions which might hamper the implementation of Resolution 598. The SFRY, as a member of the Security Council, fulfills its role as efficiently as possible in line with the UN Charter and Resolution 598." [quotation marks as received]

Commentary Assesses Situation in Serbia
AU2107122688 Ljubljana DELO in Slovene
20 Jul 88 p 2

[Joze Volfand commentary: "Responsibility of Politics"]

[Text] Who is responsible for the increasing smell of gunpowder in Yugoslavia? After the LCY Conference, which after all agreed at least on the basic course of economic changes, Yugoslavia is enveloped in a fever of dangerous passions, instead of continuing a patient, thoughtful, and well-argued discussion of constitutional reform, the democratization of the political system, and the ways to separate the LC from the state and make it less of a monopoly, a discussion that should be conducted primarily in political and professional leaderships. It is not just the case that the street has become too vociferous and that this part of the political scene is becoming more and more effective every day. It is even

more disturbing that the politicians have forgotten what they were so assiduously asserting only yesterday: that the way out of the crisis is possible only with democratic means.

The present events in Serbia objectively mean not only a deepening of the Yugoslav economic and political crisis, but also by far the most serious destabilization of the situation in Yugoslavia since the war. It is the most serious, primarily because it is barely possible to presage its development and because, with the passions fully aroused, every day it will be more difficult to determine or to find wise political solutions. A new wound has been opened.

In Vojvodina, which is relatively successful economically and rather stable as regards the relations among its nationalities, although it teems with them, a process has begun that was not necessary. Perhaps it is useful only to the extent to which it publicly revealed the depth of the differences not only in the views on the well-known and disputed march of Serbs and Montenegrins in Novi Sad, but primarily on the policy adopted by the Central Committee of the LC of Serbia at its eighth session. It is a policy that more radically than ever demanded the accelerated solution of the problems of Serbs and Montenegrins in Kosovo, and problems of Kosovo in general, and a policy which wants the constitutional changes to determine a somewhat different position of the autonomous provinces in the SR of Serbia, or greater statehood for Serbia.

If the essence of this policy is to stir up even more a tangible interest of all Yugoslav economy in an accelerated development of Kosovo, and even greater activities of the Communists in preventing the emigration of Serbs and Montenegrins and in eliminating the causes of any form of nationalism and separatism, then such a policy is in the interest of strengthening the Yugoslav community. But the development of events in the SR of Serbia shows that in the electrified atmosphere many key problems of Kosovo, of the development of Serbia, and of solving the Yugoslav crisis situation are very much pushed to the background. Emotions speak at protest meetings, gatherings, and even at sessions of political organs. What prevails are words of condemnation and criticism, which are unusually sharp for the practice of a democratic dialogue and a civilized political conduct, and words of unreserved support without any distance or doubt in whether what is offered and what is occurring is productive as a policy and whether it leads to any kind of a sensible solution.

The outburst of the politicized tension, which obviously nobody wants to prevent, is a poor service to those who have not yet lost their heads. The Yugoslav socialist practice since the war has irrefutably shown on several occasions how shortsighted a policy is that is not aware of the complexity of the intranational relations in Yugoslavia and that tries to solve the amassed problems with street pressure or the manipulation of the crowds. In his

book, "Socialism Facing New Challenges," Stipe Suvar says: "Anyhow, centralism and decentralized centralisms deal with the people in the same way: They use it either for manipulative theses about the harm and outdatedness of the national feelings, or for equally manipulative theses about the national interests being the only actual and respectable interests. The first centralist variation tends to fence itself off from the world and to huddle at home at moments of crisis, and as a derivation it tends even toward a possible re-Stalinization. The second confederalist variation tends toward fencing itself off from Yugoslavia, it tends toward Yugoslavia's fragmentation, and under the influence of the internal conservative impetus of the nation it tends toward national communism or national socialism. It is not necessary to say that both corrode the achievements of socialist self-management that have been attained, that they are against an open policy toward the world, that they deny and endanger the historical achievements and integrity of each of our peoples and all of them together, and that they oppose the very logic of the development of modern production forces. Therefore, both are conservative and undemocratic, and they endanger the interests of every individual, every member of our community..."

It has not been all that long since the second variation was subjected to sharp criticism and rebuttals, and one even talked about a counterrevolution. The Central Committee of the LC of Slovenia quite clearly presented its views on the way out of the economic and political crisis. It also drew the line between what objectively may encourage a democratic renewal of society and what may hinder it, including national narrowmindedness and provincialism. It seems that the Communists in Serbia face a similar task. It is difficult to understand the surprising indifference toward slogans that openly call for the abolition of the present Constitution and that see the road to the solution of some burning issues in Serbia through nonpolitical means, which the Serbian leadership has also been pointing out for some time. In the long run, neither the problem of Kosovo nor any other national crisis can be solved through repression. A democratic society, which put brotherhood and unity, national equality, and the program of a gradual abolition of ineffective state socialism among the highest moral values, must create an atmosphere that would make it possible for the most tangled skeins of differences and misunderstandings to be unraveled, primarily with democratic policy methods, without repression and squaring of accounts. Anything else would remove us from the economic reform, from better life, and from humane, self-managing socialism. Now the tendency is already in the opposite direction. More and more adherents are gained for the philosophy that he who possesses more, who can do more, who has succeeded in rising above the average, and who is not satisfied with what he has achieved, is automatically dangerous and suspicious.

Therefore, politicians are primarily responsible for putting the proper questions on the agenda, as they have agreed for the umpteenth time, and for mobilizing the

public, workers, and trades in an essentially different way, especially in resolving the problems of the economy, development, and a different socialist prospect for all of us. In the opposite case, these same politicians must assume all the responsibility for the situation as it is, and for all the consequences.

Daily on 'Destabilizing Vojvodina'

AU2107183388 Zagreb VJESNIK in Serbo-Croatian
18 Jul 88 p 5

[Jovo Paripovic commentary: "The Sparks of a Heated Political Debate"]

[Text] Last week, a heated political debate began between Belgrade and Novi Sad. It was started by the arrival of Kosovo Serbs and Montenegrins in Novi Sad. Although the LCY Central Committee Presidium made an attempt to reduce or even eliminate the brusqueness and occasional tactlessness of this visit by "opening" this question and by instructing the Presidium of the Serbian LC Central Committee and the Presidiums of the Vojvodina and Kosovo Provincial Committees to prepare reports which will be discussed by the LCY Central Committee Presidium session scheduled for Monday, the heat of this debate has not been reduced.

Moreover, it is becoming increasingly clear that the LCY Central Committee Presidium was right when it described the events which occurred before the arrival of Serbs and Montenegrins from Kosovo in Novi Sad, during their stay in Novi Sad, and after they left Novi Sad as unprincipled public confrontations. On this heated debate—between the republican and provincial leaderships—there is no trust and there are more and more unsubstantiated discussions, exclusions, insinuations, manipulations, and so forth. This had been experienced earlier, and therefore an attempt to create unity and togetherness in the SR of Serbia has remained just that.

Closing the discussion on the report about demonstrations—this is how the arrival of Kosovo Serbs and Montenegrins in Novi Sad was described in Vojvodina—the Vojvodina LC Provincial Committee Presidium made a provision according to which, if this issue is made "open" to the public anywhere—the Presidium particularly had in mind the Serbian LC Central Committee session scheduled to be held the day after the session of the Vojvodina LC Provincial Committee—the embargo on the closed session will be lifted. On Friday, after a 20-hour session (almost three work shifts) of the Serbian LC Central Committee, the Vojvodina LC Provincial Committee Presidium decided with regret to lift the embargo on its closed session mainly because the discussion on Kosovo at the Serbian LC Central Committee session turned into a discussion about the Vojvodina leadership. At this session, the events in Novi Sad

were discussed openly, violating not only the decision of the LCY Central Committee Presidium, but it went on to falsely reconstruct the events and to manipulate the Yugoslav public.

There is no doubt that the arrival of Kosovo Serbs and Montenegrins in Novi Sad was a political demonstration and, as the Presidium of the LCY Central Committee stated, an undemocratic pressure which abuses the position of Serbs and Montenegrins in Kosovo. Even at the session of the SAWP of the Kosovo Polje's 16th local community held on 24 June, one of the organizers of the trip to Novi Sad, Miroslav Solevic, said among other things: "Why should we go to Belgrade to make fire?...Why should we make fire in front of the windows and houses of those who are with us?...Let us see whether the views of the Vojvodina people correspond to those of the Vojvodina leadership which is deceiving the entire Yugoslav public."

Following this appeal and announcement, the events took place in Novi Sad. People proceeded from Kosovo to Vojvodina to bring down the leadership, to put it in the same basket with Albanian irredentism. Recently the emphasis has been placed on "a part of that leadership," which is neither naive nor insignificant because this implies that there are alleged divisions among this leadership. Speaking about details which gave this visit the attribute of a political demonstration, one cannot bypass the fact that a single-nationality gathering was held in multinational Vojvodina. In this way, other peoples and nationalities in Vojvodina were put in the situation of thinking about themselves as second rate citizens. After all, this single-nationality gathering is no less lethal, as somebody said in a conversation during the heated political debate, than ethnically pure Kosovo.

After the visit of Kosovo Serbs and Montenegrins to Novi Sad, the political assessments of intranational relations in Vojvodina will be different from those made in the past. One cannot say that this visit has significantly shaken these relations in this hitherto extremely stable part of the country, but it has brought to the surface and showed to political analysts that great Serbian nationalism in this part of the country is not innocent, and that it can lead to an avalanche of other nationalisms. Although the fire which the demonstrators brought to Novi Sad on 9 July did not spread, one must bear in mind that the fire has been smoldering and that the bringing of this fire represents an attempt to destabilize Vojvodina, while the announcement that it will also be taken to other parts of Yugoslavia constitutes a fatal danger that we may be getting closer and closer to a Beirut situation. Those who resorted to fire as the political means must have counted on this and on its consequences, especially now, prior to the opening of a public debate on the draft amendments to the SFRY Constitution and the Constitution of the SR of Serbia in particular, because the creation of Serbia as a state equal

to other republics in the country is allegedly opposed by "some individuals in the province who do not want to be part of Serbia and who have certain support in Yugoslavia for this."

This is only one message from the other side of the heated political debate which also accuses a part of Yugoslavia for the provincial separatism, from the side that does not agree that the visit of Serbs and Montenegrins was a political demonstration, but that the fire was set only by some individuals, "a handful of some 50 people," while everybody else in this column was inflamed not only by hot July days, but also by the deep scars of the Kosovo tragedy. It is obvious that there are people with scars from the horrible Kosovo tragedy—and not only the Kosovo tragedy, but the Yugoslav and the general human tragedy—but they could have perhaps been found among those tired people lying on the grass in Novi Sad, among those who were tired and who had perhaps already decided not to join any more of the similar columns carrying fire.

The least problematic things on this heated political debate last week were the exchanges of criticism between the republican and provincial leaders, above all Bosko Kronic, Slobodan Milosevic, Djordje Radosavljevic, Dusan Ckrebic, and others; the justification of one side not to hold talks with the people, for which it was criticized by others; the militia checking people on the highway; the failure to provide people with water or with the access to a power supply; and the fact that some fought for full information from the site of the event and rejected media manipulation, while others described this as legitimately gathered and accepted information from the province, as documents similar to those of the police. It was also of little importance that they called each other unitarians and separatists "closed in their little gardens and houses," or that they called each other "armchair officials." These are only new lyrics for an old melody which brought relations in the SR of Serbia to incandescence.

It is more important than anything else to be clear about the assessment as to whether this is a dispute between two sides with shared ideological positions or a dispute between two sides with opposing ideological positions—one which is for a federal Yugoslavia of equal peoples and nationalities, and the other which is for "flaring up the old myth about a single orthodox state in the Balkans"—or whether the break-up of Yugoslavia is advocated in order to create a third Yugoslavia or to organize it on the principles of unitary unity [unitarno jedinstvo]. In brief, are we for adhering to an AVNOJ [Antifascist Council of the National Liberation of Yugoslavia] Yugoslavia, or to some other kind of organization? It is also important to be clear as to whether some party officials' speeches really elaborate on the ideas of the Memorandum and the Committee for the Protection of Free Thought and Expression, which seek to reassess Tito and his works, and in doing this are writing out the

biggest bill of indictment against him; an indictment in which Tito's responsibility for the present-day fate of the Serbian people is at the top of this bill.

This heated political debate is making it increasingly clear that the arrival of Kosovo Serbs and Montenegrins in Novi Sad, whether this is termed merely a visit or a political demonstration, has opened a new page in solving the Kosovo problem, which is also a Yugoslav problem. The LCY Central Committee Presidium will today, therefore, be taking one of its most difficult examinations—an examination on the unity of the Yugoslav party leadership—not so much about what the Novi Sad events were, but about what questions they have opened up and what questions they can open up in the future. Will Kosovo remain an open question so that it can be used to reorganize Yugoslavia? Will militant nationalism and revanchism be inflamed through the tragedy of the Serbian and Montenegrin peoples in Kosovo? Will Yugoslavia have, in addition to an already visible economic problem, another problem unresolved by the deadline set by the LCY Conference, so that one could point the finger at Yugoslav Communists as the only culprits for our difficulties? The mistake of the top party leadership, or its opportunism if that comes about, can only be corrected by the LCY Central Committee, which will have to make a differentiation along the line dividing the two ideological standpoints in solving Kosovo and Yugoslav problems.

LCY CC Presidium Statement 'Not Endorsed'

AU2207152488 Belgrade POLITIKA
in Serbo-Croatian 21 Jul 88 p 1

[Unattributed report: "The Statement Published Yesterday on the LCY Central Committee Presidium Session Was Not Endorsed by the LCY Central Committee Presidium"]

[Text] Yesterday we published a statement on the 2-day session of the LCY Central Committee Presidium, which discussed the arrival in Novi Sad of citizens of Serbian and Montenegrin nationalities from Kosovo and their protest on 9 July this year.

However, we received a statement yesterday from the Section for the Information-Propaganda Activity of the LCY Central Committee Presidium via TANJUG, which reads as follows:

"The statement which was published yesterday on the session of the LCY Central Committee Presidium was not endorsed by the LCY Central Committee Presidium, but was issued by the information section with the aim of informing the public that the session had finished and the stands would be published."

As we can see, it was not stated in the explanation how a statement which had not been endorsed at the LCY Central Committee Presidium session came to be published.

Operational Program Published

LD1707051988 Belgrade TANJUG Domestic Service
in Serbo-Croatian 0621 GMT 16 Jul 88

[Text] Belgrade, 16 Jul (TANJUG)—The operational program of activity of the LCY Central Committee, its Presidium, and their working bodies was published today, and is aimed at realizing the LCY conference theses. This document was endorsed at the last session of the Central Committee. The Central Committee adopted the theses as a whole, noting that they represent a complete ideopolitical basis for the LCY's activity until the next congress.

The program does not repeat or replace the conference theses, but instead elaborates on those parts which represent the priority tasks of the Central Committee for realizing these theses. Many of the duties contained in the conference theses are sufficiently concretely defined so as not to need any separate operationalization. The attitude of both the LCY Central Committee and the LCY Central Committee Presidium will be the same toward their realization as toward the tasks contained in the operational program, and they will be realized within the framework of their regular activities.

According to the operational program, the Central Committee will be primarily committed to creating ideopolitical conditions for the preparation and realization of the comprehensive socioeconomic reform, above all the reform of the economic system. The same importance is attached to the elaboration of the ideopolitical aspects of changes in the political system, as well as the consolidation of ideopolitical unity and the further democratic transformation and renewal of the LC and changes in the contents and methods of work of the LCY Central Committee, the LCY Central Committee Presidium, and their working bodies.

The highest-ranking LCY organ will also be involved in the mobilization and uniform approach of the LC members, organs, and organizations in relation to main social and ideological problems. The Central Committee gives itself the duty of setting up a special commission with the aim of organizing a thorough research of the present way of realizing the role of the LC and to propose a basis for necessary reforms, including the elaboration of arguments for possible additions to the program of the LCY, which would be decided by the 14th congress. The LCY Central Committee will also organize work on the critical assessment and reexamination of some statutory provisions.

The operational program envisions 21 tasks for which, also in precise terms, the executors and deadlines have been established.

The first of these duties is the realization of the LC tasks in connection with the implementation of the economic reform. The LCY Central Committee and the LCY Central Committee Presidium will commit themselves

to directing overall ideopolitical activity of communists toward solving current fundamental economic and social problems and vital problems of working people and citizens, the timely realization of all the tasks ensuring changes in the economic system, and the development and economic policies and the behavior of economic and social subjects in the realization of the economic reform.

The LCY Central Committee and its Presidium, together with the LC Central and Provincial Committees, will direct their activity first and foremost to solving ideological problems and barriers in the preparation and adoption of economic-systemic and other solutions in assemblies and other institutions of the system with regard to the introduction and realization of the economic reform.

In this connection, three groups of questions will be examined in particular. Some ideopolitical questions of the reform of the economic system will be dealt with by September. This will, among other things, include dilemmas in the sphere of ownership relations, the acquisition and distribution of income and the management of capital on the basis of invested funds, money market and social capital and the specific working force market, the introduction of promissory notes, market-plan relations, and foreign investments.

Until the beginning of autumn, the LCY Central Committee Presidium and commissions will be busy with ideopolitical questions of social policy in the function of the realization of the economic reform. Until November these bodies, and if need be the Central Committee, will deal with ideopolitical questions of the long-term development strategy and the medium-term development policy of the country, as a component part of the economic reform.

Until the beginning of autumn, the Presidium will have the duty of examining the ideopolitical questions, causes, and problems of work stoppages, and in December to assess the realization of the development policy this year and establish the LC tasks with regard to socioeconomic development in 1989.

The Presidium is further bound to monitor continually, until the congress, the realization of the tasks of communists with regard to the further development of self-managing organization and decisionmaking in associated labor, which were endorsed by the LCY conference and the LCY Central Committee. From this point of view, it will monitor work on constitutional changes, other changes in the legal system, and also practical activities in organizations of associated labor.

The next task—the examination of current ideopolitical questions of the realization of the conclusions of the ninth LCY Central Committee session on Kosovo—will be carried out at an LCY Central Committee session by

the end of this month, after which this subject will be on the agenda of the sessions of the Presidium of the LCY Central Committee every 6 months.

The examination of ideopolitical questions of constitutional changes is also a permanent task of the LCY Central Committee Presidium until this important social job is over. The clarification of open issues in connection with the constitutional changes, which may crop up during the preparation of draft amendments to the SFRY Constitution, are a component part of this task.

During work on the endorsement of draft amendments, the Presidium will monitor the process of coordination and take stands in assemblies of republics and autonomous provinces and, should a need arise, brief the Central Committee and engage it in the ideopolitical activity. The operational program stresses that in line with the struggle for the unity of all socialist self-managing forces on the basis of the stands of the 13th LCY Congress, with regard to the development and consolidation of relations of unity and fellowship in Serbia, the Presidium will continually be involved in monitoring open issues and problems in work on changes to the Constitutions of Serbia and the provinces. It will examine these issues, take ideopolitical stands, and also brief the LCY Central Committee.

For the purpose of realizing the LCY Central Committee theses on the implementation of the constitutional concept of the Yugoslav federation, the Presidium will devote primary attention to the ideopolitical questions of the further elaboration of this concept within the framework of constitutional changes, in keeping with the LCY conference theses.

Further tasks are the examination of the activity of communists in the Socialist Alliance, the realization of public work in institutions of the political system, the realization of the conclusions of the LCY Central Committee on the implementation of constitutionality and legality, as well as the functioning of the system of all-people's defense and social self-protection.

The Presidium of the LCY Central Committee will also deal with the content and volume of the rights of party officials and on the exponents of public duties. It will specify the criteria by which material and other rights in the work in the LCY are acquired, and initiate the same action in other LC organs as well as in all other organs, organizations, and institutions of the political system. The deadline for the execution of this task is October.

Aiming at the more successful realization of the leading role, democratic renewal, and transformation of the LCY, the LCY Central Committee will by the 14th congress direct its activities first and foremost to the reaffirmation of revolutionary working class course and

changes in the content and method of work of organizations and organs of the LCY, as well as to the democratization of relations within the LC and the development of democratic methods of work.

The activity will also be directed to transferring the focus of work of the LCY, its Presidium, and their members on to more direct activity in LC organizations, and with the members among the working class and associated labor and working people.

The Central Committee will, by the congress, also be involved in the realization of the stand on a need for a more resolute elimination of bureaucratic tendencies in the LC and society, as well as a more courageous elimination of activities by means of mechanisms and methods of state organs.

The Central Committee takes upon itself the task of setting up a special commission with the aim of organizing a thorough research on the present way of realizing the LC role and propose the basis for necessary reforms, including the elaboration of arguments for possible amendments to the LCY program on which the 14th congress should decide. The LCY Central Committee will also organize work in the critical assessment and reexamination of some statutory provisions.

A special task of the operational program refers to changes in the method and content of work of the LCY Central Committee and the LCY Central Committee Presidium. Emphasis will be placed on ensuring a greater degree of ideological and action unity in the entire LCY, both in the elaboration and establishment of the current policy and in the directing and uniting of ideopolitical activity of communists in LC organizations of republics and provinces and in the Yugoslav People's Army [YPA].

The LCY Central Committee and its Presidium should eliminate from their work the causes and behavior which legalize the federalization of the LCY and overcome the phenomena of passing decisions on every question by means of coordination between republican and provincial leadership, and also eliminate such behavior which may lead to bureaucratic centralism.

Through its method of work, better organization, and change of rules of procedure, the LCY Central Committee should ensure timely examination of the most important questions of socioeconomic and self-managing development, and speedier adoption of stands and decisions and conclusions passed on the basis of a democratic, open, and critical assessment of every opinion and proposal.

The duties of the Presidium members will also be reexamined, including the examining of possibilities of [words indistinct] functions for a number of Presidium members.

Proceeding from the situation in society and in its ranks, and also the demands of the membership as well as its duties aimed at the realization of the tasks endorsed in the LCY Conference theses, the LCY Central Committee will, apart from changes in the methods and content of work, establish its own responsibility and the responsibility of its Presidium, and carry out necessary cadre changes in its structure and the structure of the Presidium and working bodies.

The LCY Central Committee charges the central committees of the republics and the provincial committees of the provinces and also the committees of the LCY in the YPA to assess their responsibility for the realization of the ideopolitical and action unity of the LCY, and in keeping with this, to assess a need for cadre changes in their own structure and in their executive-political organs.

The session of the LCY Central Committee up to the congress will examine on a continual basis current questions of the ideopolitical activity of the LC's of the republics and provinces and the organization of the LCY in the YPA and their organs aimed at the realization of the congress decisions and theses of the LCY conference. This task from the operational program strives to gain on insight into the overall situation in the LCY and a more efficient coordination of the current ideopolitical activity.

The operational program charges the LCY Central Committee and its Presidium with launching an initiative within the framework of the SAWPY federal conference for reexamining the justifiability and constitutional basis of the social agreement on the realization of the cadre policy in organs and organizations of the federation and organs of sociopolitical groups in the federation. In keeping with the theses of the conference on the need for the democratization of the electoral procedure, the need for putting forward a greater number of candidates than the number to be elected, and voting by secret ballot, the LCY Central Committee Presidium will prepare a decision on the criteria, electoral methods, and procedure for candidature for all organs and individual functions in the LCY Central Committee Presidium. It will prepare a decision on the criteria, electoral methods, and procedure for candidature for all organs and individual functions in the LCY and its organizations and organs.

A special item on the operational program refers to the ideopolitical activity of the public media and their implementation of the theses of the LCY conference. The Central Committee stresses in particular the duty and responsibility of communists in the public media toward consistent struggle for implementing the conference theses, interpreting and elaborating them in a uniform and clear way, and critically assessing the phenomena of opposition and indecision which can be possible in the course of their realization.

The media should turn toward the crucial questions of sociopolitical action—the reforms of the economic and political systems and the renewal of the LCY—striving above all for comprehensive information on the population on all social actions and the development of socialist public opinion and constructive and mobile social climate.

The tasks of the operational program also include those referring to the ideotheoretic work in the LCY, the implementation of the stands of the seventh LCY Central Committee session on the communists' tasks in the ideological struggle for the development of socialist self-management and socialist democracy, as well as international cooperation of the LC.

Preparations Made for Plenum

LD2107171688 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1404 GMT 20 Jul 88

[Excerpts] Belgrade, 20 Jul (TANJUG)—At its next session to be held on 29 July, the LCY Central Committee Presidium cannot just "go through the motions" on the subject of Kosovo, or push it into the background. In the past year, after the ninth LCY Central Committee session on Kosovo, some results were achieved, and they should be emphasized. However, one should not conceal or lessen the failures which are continuing, as well as the aggravation of the situation in the most sensitive spheres. This is one of the basic assessments made during last night's LCY Central Committee session which discussed the topical issues concerning the realization of the conclusions of the ninth LCY Central Committee session on Kosovo.

This discussion, conducted within the framework of the preparations for the next LCY Central Committee Plenum, was held at a separate session of the LCY Central Committee Presidium immediately after the 2-day discussion of the highest party [passage as received; transmission interrupted, tanjug part 2 not received]

Stanko Stojcevic called for a realistic evaluation of achieved results and the fixing of future tasks. He said that on the eve of the plenum, the Presidium should clearly and positively assess the reasons for which the causes of emigration under duress were not eliminated. Phenomena of stratification within the Kosovo LC on the national basis cannot remain unanswered. [passage omitted]

Marko Orlandic briefly noted that before one put forward comments, proposals, and addenda to the text of the Central Committee report, any disagreements should be eliminated. It would not be good, he said. If we cannot, we will say so, but for now we should find out if we are capable of overcoming the differences.

Milan Kucan attaches exceptional importance to the assessment from the report, whereby the activities are yielding concrete, politically significant results which reaffirm that problems can be solved and the situation

changed. However, as far as differences on some basic issues are concerned, Kucan noted that they have existed since 1981, that is, since the beginning of the realization of the platform on Kosovo. We must ask ourselves whether these differences are objective or not, and on what they are based. [passage omitted]

We should consolidate the front of progressive Albanians, Serbs, Montenegrins, Turks, and all others who live in Kosovo. It is necessary to create conditions in Serbia and Yugoslavia for the Albanians to achieve the status of a responsible majority in Kosovo, guaranteeing, as commissions, a peaceful and secure life. Kucan sees in this the meaning of political work and differentiation. Hence the question—what to do in order for the Serbs in Serbia to also feel responsible for the position of Albanians and members of other nations and nationalities.

The question arises, Milan Pancevski said, as to what we in the Central Committee did in order to improve the situation in Kosovo. Assessments are very unfavorable and give rise to problems that, despite numerous discussions, we are not capable of solving in this province. Are we proposing real solutions at all?, he asked. [passage omitted]

We can therefore conclude, Pancevski said, that the ideopolitical action is unsatisfactory, and this applies not only to the Kosovo LC Provincial Committee but also to us, the Presidium and LCY Central Committee. Dissatisfaction among the Serbs and Montenegrins is therefore justified. The right causes should be sought in the right places, Milan Pancevski stressed, adding that it is essential to exploit all possibilities, above all ideopolitical possibilities, in order to change the situation in Kosovo. Failing this, he assessed, we will not pass this test and it will be a major failure both for this Central Committee and for the LCY, with widespread political implications.

I think we must make an effort, Kacusa Jasari said, so that the report for the Central Committee members contributes to overcoming these differences. It is essential, she considers, to be more critical, because the emigration from Kosovo continues, and intranational relations in some environments are worsening. [passage omitted]

Drawing attention to the harmfulness of applying different criteria to nationalism, Kacusa Jasari warned of insufficient involvement in exposing the platform of Albanian nationalism. At the same time it is necessary to expose every platform and every other destructive activity. The provincial leadership needs support, stressed Kacusa Jasari, making a number of concrete comments to the text of the report at the end of her speech.

I am not sure whether we have prepared the session of the LCY Central Committee on Kosovo well, stressed Stipe Suvar, president of the LCY Central Committee

Presidium, winding up the discussion. He noted that in the 10 days remaining before the plenum, the Presidium should become involved in the preparations for this meeting so LCY Central Committee members can examine the implementation of the party conclusions on Kosovo as thoroughly as possible.

The Central Committee should assess in the most precise terms what has and has not been done, where there was progress and where things became worse, and stress once again the tasks of communists in all environments, both in Kosovo and Serbia, and the entire country.

Noting that in recent days in particular, themes and theses are being discussed and a great deal of irresponsible politicking is manifested among some leading people, Suvar said that the changes to the Serbian Constitution have emerged into the foreground. This is a topical issue and these are indeed our tasks, he stressed, but we cannot view Kosovo in the light of it. It is linked with Kosovo but is also our normal, regular task.

Suvar called for the report for the Central Committee members to emphasize the Yugoslav context of the situation in Kosovo and the duties of the whole country toward resolving accumulated problems in this province. This does not mean that things should be reduced to the Yugoslav program on Kosovo, which has been implemented slowly from the very beginning.

Kosovo has been disrupting Yugoslavia for 7 years now, Suvar said, and it has been the most sensitive point threatening its integrity. However, it would not be easy to restore this situation to health if in the entire country and even in Serbia disintegration processes assume such proportions, and nationalism and bureaucratism lead us to merciless mutual conflicts, which are already destroying a great deal of what had been created by Tito's policy of brotherhood and unity since 1941.

Stipe Suvar noted that the counterrevolution in Kosovo was not the fault of the 1974 Federal Constitution, or any other of the country's constitutions. The counterrevolution, he underlined, was born out of the long-lasting pathological isolation of Kosovo toward Serbia and Yugoslavia, led by primitive bureaucracy, the logic of rulers, and even support for nationalist myth and fanaticism, all under the pretext of the emancipation of Albanian nationality. We were losing battles in the daily life of people in Kosovo, and so the Serbs and Montenegrins, and members of the other nations and nationalities in this province were exposed to pogroms of Albanian nationalism. Not even the Albanian masses felt safe, Suvar said.

In Suvar's opinion, discussion on the fate of young people in Kosovo is a priority. We need to take care of young people throughout the country, but nowhere are they as threatened as in Kosovo, both from the point of

view of their life prospects, and in the sense of being victims of terrible nationalist indoctrinations, ethnic distancing, and even hatred.

For all these reasons, the Central Committee and its next session on Kosovo must see the truth, and say what the situation is like this moment and what needs to be done. Since the ninth LCY Central Committee session, Suvar stressed, there have been results which ought to be emphasized, without concealing or lessening the failures, which are continuing. The emigration and tendencies to create an ethnically pure Kosovo have not ceased, neither have the gatherings and polarization on the national basis, which is already penetrating the organized front of socialist forces.

We must not tire ourselves with various assessments, Suvar said, and added that it is essential to achieve agreement on guidelines for future actions so as to realize the conclusions of the ninth LCY Central Committee Plenum at the next Central Committee session.

Joint Assembly Session Set

LD2107160488 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1317 GMT 21 Jul 88

[Text] Belgrade, 21 Jul (TANJUG)—Dusan Popovski, president of the SFRY Assembly, has convened the eighth joint session of the SFRY Assembly's Federal Chamber and the Chamber of the Republics and Provinces for 28 July. The delegates are expected to proclaim Dr Stipe Suvar, an ex-officio member of the SFRY Presidency, as president of the LCY Central Committee, and announce the full composition of the SFRY Presidency.

Racan Urges Social Reform

LD1007020988 Belgrade TANJUG in English
2122 GMT 9 Jul 88

[Text] Pula, July 9 (TANJUG)—Member of the Yugoslav Party (LCY) Presidency Ivica Racan said today that the current crisis in the country can be overcome by a social reform in favour of its main commitments—socialism and selfmanagement.

Speaking to the party leadership of the northern-Adriatic port of Pula, Racan (46) pointed out that the reform of the LCY was linked inseparably with the social and political reforms. Only a democratized LCY, rallying members free from dogmatism and sectarianism and not relying on executive, administrative and state organs, can be the vanguard of social reform, he said.

At the first LCY conference, held in Belgrade late in May, the over 800 delegates representing the two-million-strong membership called for reforms in the economic and political system and LCY activity—all with the aim of bringing the country out of the several year-long crisis.

Racan warned that there would be no quick reforms in Yugoslavia's society and party, but that there would be obstructions arising from ossified methods of work, mounting normativism and opposition to a market orientation in the economy. Reforms cannot be carried out in a bureaucratic way, and they will only succeed if people see them as opening prospects of a better future, said Racan.

He noted the existence of non-adjusted views on individual aspects of the reforms, and said that attempts to politicize and tackle them by means of pressure could cause even bigger conflicts and lead to arbitration, which would not be socialist and selfmanagement in nature.

For this reason, the question of responsibility—even of prominent party leaders who do not observe the decisions of the key conference—will be raised very soon, said Racan.

Comparison of Items on LCY Analysis of Kosovo

AU2207120088 Belgrade POLITIKA in Serbo-Croatian on 21 July on pages 1-3 carries a 3000-word statement on the Kosovo march in Novi Sad—attributed to TANJUG—issued by the LCY Central Committee Presidium after its session on 18-19 July. The POLITIKA item has been compared with the Zagreb Domestic Service in Serbo-Croatian version published in the 21 July 1988 East Europe DAILY REPORT, pages 47-51, revealing the following variations:

Page 48, column two, second paragraph, first sentence, in POLITIKA reads: ...public information media and public political work in general to take into....(adding words "and public political work in general")

Page 48, column two, between second and third paragraphs, POLITIKA includes the following additional paragraph: ...provincial LC leaderships.

At the same time, it was noted that the LC leaderships in the provinces must approach these and similar issues in a sensible and responsible manner. During the events in Novi Sad, in addition to dissociating oneself from nationalists and their provocations, much more should have been done, and an open and principled dialogue with dissatisfied citizens should have been accepted in an organized way. The rejection of a dialogue with all Kosovo citizens who gathered in Novi Sad, and the insistence by the Vojvodina and Novi Sad leaderships on talking only to a delegation was not a politically sensible or responsible move. Socialist self-managing democracy implies the need for the leaderships and leaders to communicate openly and directly with the people in all circumstances and to heed their demands and proposals. To avoid such contact provides scope for the intrusion and activity of various nationalist elements. There was no justification for cutting off the electricity supply during the protest meeting of the Serbian and Montenegrin citizens from Kosovo in Novi Sad. On this occasion,

in their conduct the political factors on the one side ignored, albeit for a moment, the causes which prompted the citizens to express their justified dissatisfaction, while on the other side attempts by individuals and groups to abuse the presence of the Serbs and Montenegrins from Kosovo for their political aims were wrongly underestimated.

The presidium stresses....(supplying additional paragraph)

Page 49, column one, second paragraph, first sentence, POLITIKA adds the following passage to the end of the sentence: ...responsible editorial policy in the public information media in the SR of Serbia, the Socialist Autonomous Province of Vojvodina, and the entire country. These tasks stem....(supplying additional passage) The last two paragraphs of the Zagreb Domestic item are not included in POLITIKA.

Milosevic Grants Interview to NIN

AU0907050188 Belgrade NIN in Serbo-Croatian
3 Jul 88 No 1557 pp 8-15

[Interview with Slobodan Milosevic, president of the Serbian LC Central Committee Presidium, by Djoko Stojicic, chief and responsible editor of NIN, Teodor Andjelic, deputy chief and responsible editor of NIN, and Dragan Jovanovic, editor for political affairs of NIN: "Yugoslavia and Socialism—Historic Achievement"—on 23 June, place not given]

[Text] [NIN] In this interview we will not deal with the past, but with the present and the future. However, we will not bypass one question on the detailed explanation of which many things depend, namely the fact that there was no communist party in Serbia between 1937 and 1946 and that this has been interpreted in different ways. In this period many crucial things happened: the revolution; the advent of the communists to power; the creation of the new Yugoslavia, and so forth. It is being said that the Serbian nation was an exploiter and that it therefore did not need the party. In this connection, two questions could be asked: First, if the nation was an exploiter, then it would have been natural for it to acquire enormous economic wealth for itself, but the Serbs were neither economically developed before nor after the war. Second, could one nation establish socialist relations and socialism without the Communist Party of Yugoslavia?

[Milosevic] I am not a historian or a scientist and therefore I cannot give a historically and scientifically competent answer. Nor am I one of those people whose answers are prepared by experts. But I can answer this question as a citizen of Serbia and Yugoslavia and as a Communist.

I think that the Serbian people have never been an exploiter and that no one nation can be one. Exploitation can only be carried out by a class within a nation—if this

is a case of a big nation within a multinational community of the class type, or of the exploitation of other smaller nations by the ruling class. The Serbian people have never exploited any other Yugoslav peoples. The majority of all the Yugoslav peoples were jointly exploited by their bourgeoisie—the Serbian, or Croatian, or Slovene bourgeoisie.

And the subject of their exploitation was the proletariat of the Yugoslav peoples, the Croatian, Slovene, and to the same extent the Serbian proletariat.

As far as the second part of the question is concerned—why Serbia did not have a communist party in 1937, I do not know the answer. I know that there were no reasons for this, because Serbia had a well-developed labor movement as well as theorists of socialist ideas, in other words it had all the conditions for forming a proletarian party.

[NIN] How do you assess the recent LCY conference? Did the conference reveal the weak spots in the LCY and Yugoslavia even more?

[Milosevic] In my opinion, the conference has shown two things. First, that there is a latent clash between those who favor changes and those who are against them. Changes are mainly favored by the LC membership and the majority of the Yugoslav citizens. Against them are only some leaderships, or parts of some leaderships.

Second, the conference has demonstrated that the LC is aware of strong regressive aspirations in our society, and that it is ready to react to them. These regressive aspirations aim at the abolition of Yugoslavia and socialism. Their emergence was induced by the crisis which is used as an argument by the opponents of Yugoslavia and socialism. Some people are trying both secretly and openly to prove that we made a mistake not only in 1941 when we started the socialist revolution, but also in 1918 when we founded Yugoslavia. It is logical that those opposed the idea of Yugoslavia as a joint country of all the Yugoslav peoples and the idea of socialism as a socioeconomic system are now active and aggressive.

But, it is not logical that we are letting them succeed. Yugoslavia and socialism are progressive historic and civilized achievements of our development and must be protected despite their shortcomings and the difficulties that have surfaced in this regard.

Therefore, let there be no misunderstanding: Not only do major changes that we should carry out in the economic and political life of our society not bring into question Yugoslavia and socialism, but they also facilitate stability and prosperity for Yugoslavia and the new, more successful forms of expression and development for socialism.

The reform must bring radical changes. But just because they should be radical, one must not think that they will be antisocialist. Some people are frightened by this possibility while others are quite happy. But there is no ground either for fear or joy. The socialism which we have been building up to now is a phase from which we will go on the next, more developed and more advanced phase. This is simply a matter of the development of society and of the wisdom that this development must be ensured, induced, and speeded up.

[NIN] Could some aspects of the spirit of the Eighth Plenum of the Serbian LC Central Committee, above all openness and criticism, be recognized in the work of the LCY conference and in the public political climate outside Serbia?

[Milosevic] Since you have used the term spirit, then I can say that all the delegates from Serbia at the conference were infused with the spirit of the eighth plenum. This was obvious. It was also obvious that the spirit of the eighth plenum, if by spirit we mean criticism, creativeness, and openness, was present in other places. And indeed, the crisis cannot be resolved without a critical and constructive attitude toward problems, nor without public criticism and a search for a way out of it. In this sense the spirit of the eighth plenum is not really a specific feature of the policy of the LC of Serbia.

[NIN] Much has been said—and this seems to have come from the minority—about relations between the minority and majority in the LCY, and in this context, about democratic centralism which the LCY is trying to revive and bring back to "its ranks" because it is necessary for putting important decisions into practice. The minority, it seems, is skillfully avoiding democratic centralism because, according to the principles of democratic centralism, it is clear how the minority would be overruled when the majority decided on something.

[Milosevic] Relations between the minority and the majority cannot be seen as a matter of principles and isolated from what the minority and the majority advocate. Progress is sometime expressed by the minority and sometimes by the majority. Fascism represented a dark ideology when it was advocated by both the minority and the majority.

Therefore, putting in absolute terms the views and interests of both the minority and majority is not acceptable.

As far as democratic centralism is concerned, it represents a principle without which every organization would find it difficult to function—reaching an agreement in a democratic way is finalized by the adoption of a decision that binds all the participants in this process until the decision is valid. Those in the minority whose opinion was not "accepted," are obliged to carry out the decisions adopted by the majority as long as they remain with the majority in the same political organization.

[NIN] According to some Yugoslav papers, or to be more precise, some republican papers, you and the Eighth Plenum of the LC of Serbia are directly linked. How do you see this session, today how do you assess and interpret the comments and criticisms about this session by these papers? How do you explain a kind of witch hunt conducted about this session and you personally?

[Milosevic] For me, the eighth plenum is still what it was when it was held, which is to say a break from the policy of not implementing decisions which we adopted jointly, a break from irresponsibility, and closed meetings. And especially from opportunism which places even the smallest personal interests above the greatest general interests.

Separatism and nationalism escalated in Kosovo because some long-serving and influential officials in Serbia chose to close their eyes so that, if possible, they could remain in power until they retired.

The exodus of Serbs and Montenegrins from Kosovo is a direct consequence of keeping silent about Albanian nationalists and making concessions to them. This was done by Serbian politicians who could have changed things, who could have prevented the tragedy, but did not want to do so or did not dare, for fear of endangering their positions. All those whose interests were threatened by the eighth plenum criticized the session, its policy, and, of course, those individuals who are the exponents of this policy, and thus me.

This is understandable, for we cannot expect support from those whom we criticize.

But, we cannot expect the methods, such as those used by the Chilean police for the political liquidation of people, to become an established practice in a European country, a country at peace, and especially socialist country. What some youth papers, as well as some other papers outside Serbia wrote against the eighth plenum, the policy of the LC of Serbia, and even Serbia itself, was also carried in the Serbian press. The inspirers of these articles are those whose interests are threatened by the democratic and cadre changes we started last fall. Of course, they quickly and without any difficulty found allies outside Serbia among those individuals who express their nationalism in the form of the old intolerance of Serbia, and who express their anticommunism toward changes that are strengthening socialism.

They are attacking both the current policy being conducted in Serbia and the exponents of this policy in a way reminiscent of the methods used by old fascism and neofascism in their struggle against communists and progressive people. The individuals that they cannot politically harm they try to personally compromise by writing untruths, or even worse, half-truths about them and members of their family in order to cause intolerance among people because they failed to do so for the policy they conduct.

The dirty, inhumane means of removing people who represent a political or a personal obstacle are not, unfortunately, foreign to the international labor movement. I learned this from history and literature. Now I see that they are still present and are strong in some places in the country I live in and in the party of which I am a member. The session of the Belgrade LC City Committee held in January this year is very encouraging because it identified and condemned the examples of such methods in its area.

[NIN] Your speech at the LCY Conference received great publicity in both the domestic and foreign press. Even some conservative newspapers in the West—which are, as a rule, malicious toward Yugoslavia and to what has been recently happening in Serbia—were favorable toward you. How do you explain this?

[Milosevic] If one ignores extreme circles and extreme individuals, I think that in the minds of most people and by their reactions, a critical and constructive attitude toward a problem that needs to be solved would always have support.

[NIN] The protest of the working people and citizens because of the crisis, primarily a moral crisis, is becoming stronger every day. Of particular concern is the moral crisis which is also felt among some individuals in the leadership. The colloquialism about some new "red bourgeoisie" is present again, and at the last LCY conference several delegates mentioned the need for nationalizing the illegally acquired property by some officials and Lenin's "rascals" which could cost us our lives. Have we really reached this stage? Is the Yugoslav socialist revolution really in danger to the extent of people thinking in terms of revolutionary violence such as nationalization?

[Milosevic] Lenin's thought "If somebody is going to cost us our lives, then this will be the rascals in our ranks" is still very topical, especially in our country at present. I saw that the Belgrade Student Cultural Center had used this slogan for one of its posters. I thought that this was the best and most topical political poster today. Nobody outside the movement, outside the party can inflict the kind of damage against us that those in the party itself can. I mean material and moral damage.

Rascals in our ranks should therefore leave not only because they have stolen from us, but also because they have disgraced us.

[NIN] Does the unity in the LCY that has been insisted upon also mean an accord on constitutional changes?

[Milosevic] There is nothing more urgent for the Communists, than to agree on the country's Constitution.

[NIN] If compromises and agreements on constitutional changes are not found, would there be a constitutional crisis, and if this happens, how would this be resolved?

[Milosevic] Of course the crisis will happen. But I hope that we will resolve it by reestablishing the stability of Yugoslavia as a socialist, modern, and economically richer country.

[NIN] The openness in the work of the LC, particularly in the work of its highest and most important organs, is not today the communists' "strongest" point. How can this "policy" be changed, how can this policy be made more attractive, understandable, and capable of mobilizing political potential?

[Milosevic] The way it was said, for instance, at the eighth plenum. In the last few years, since I have been in the leadership of the LC of Serbia, we have had clashes over closed sessions. Even before the eighth plenum, there was some pressure for it not to be made public. The explanation that "at present one should not be open with this" is not the view I hold on democracy and politics in socialist countries. "Closed sessions" and socialist self-managing democracy are incompatible, mutually exclusive.

[NIN] You perform the duties of the first man in the LC of Serbia at a difficult point in history. Intranational relations are disturbed and the economic situation is very grave. You have received unusual forms of general national support, you are seen as the representative of the whole nation, you are trusted, and you are asked to do various things, to find solutions. Does all this give you a special feeling of historic responsibility, and do you feel the gravity of this responsibility?

[Milosavljevic] I am doing everything I can to help positive changes in Serbia and our society in general. The majority of my comrades are doing the same. But, I am convinced that the new generation of younger, better educated, and perhaps bolder people will do even more.

[NIN] Why is it that some Communists in important social positions offer the people crying and tears instead of programs to overcome the crisis, why is it that they offer mourning as a method of general stagnation? Is this not slowly but surely becoming a habit?

[Milosevic] Out of all the questions that you have asked me, I like this one best.

For some time now, we have been hearing lamentations from the highest political platforms, and it has escalated so much that it has taken on a form of defeatism which characterizes the political behavior of some individuals. So, instead of politicians finding a way out of the crisis and instilling hope in the people, some of them are in such despair they need to be consoled and cheered by the people.

I personally came into conflict with this defeatism at the very beginning of my work in the Serbian LC leadership. I think that it (defeatism) is the necessary, logical consequence of the fact that some people have been in the leadership for much too long, that they have lost ideas

and motivation for serious and especially creative work, and that the lack of seriousness and creativity came to the fore during the crisis. The crisis demanded great and new mental as well as physical efforts. But some people were tired even before the crises and did not really have the strength or the will to change things, to come up with new ideas, to take risks, and not only to think about themselves. They as individuals had the right to their own defeatism, pessimism, and fatigue. But what they did not have the right to, was to remain with their defeatism, pessimism, and fatigue at the front of organizations, institutions, and particularly the state, at the time when they needed to display creativity, optimism, and elan.

So how can we really solve all our problems if our fate is in the hands of those who publicly, and even more, privately, speak of the grave situation for which they do not have an answer? It is quite possible that they are sincere and that they did not know the answers, but in this country there are so many educated, intelligent, and resolute people who know the answers and cannot wait to give them to society and help society. It is neither prudent nor just to deprive them of this opportunity. And the incipient democratic renewal should provide them with this opportunity because this is the condition for progress.

But this defeatism, pessimism, and fatigue which you asked me about is not characteristic of the whole generation of older comrades, nor of all those in the leadership. On the contrary, among them there are many strong and cheerful people—the strength and cheerfulness of some of these older comrades of the generation that carried the revolution impressed me because this is the part of the revolutionary spirit that this generation never lost and which deserves not only respect, but also admiration. This applies to some prominent creators. A dream about eternal youth in the lives of these people has in a way been realized. Desanka Makasimovic [90-year old poet], for instance, is still young. So is Oskar Davico. Generally speaking, pessimism, fatigue, and apathy do not necessarily go along with age, just as youth is not necessarily characterized by optimism, cheerfulness, and progressiveness.

[NIN] In the political life in Serbia, significant changes took place in the so-called leading posts. What do you think about the people who occupy the most responsible posts in Serbia with whom you work at present?

[Milosevic] First of all, I think that they are honest and in their private lives modest people. I think that these are the most important conditions for a politician at present. In addition to that, they are educated, determined people who are not concerned about being involved in politics at any price.

Apart from personal incomes, which are lower than those of many citizens who successfully perform responsible jobs in the economy or in the social activities sector, they do not have any other source of income. They are attached to their families and live in apartments such as many other ordinary citizens of Belgrade have, in modestly equipped apartments. Some live very modestly indeed. There are no more dinners and music at the state or party expense.

[Nin] Is there anything you would like to single out as an essential characteristic in relations among the new leadership?

[Milosevic] Speaking about cooperation, I think that it could be more successful only among people who stand on an equal footing, among people who respect each other, and among those who are not afraid of cleverer people. In our "Serbian politics" a fear of clever people was often present. Some politicians saw them as competition, as a threat to their status, standing, and influence. But they should have been seen as an opportunity for a more successful policy and for the development of society. This in a way explains the presence of a somewhat greater number of university professors and prominent intellectuals in the Serbian leadership, particularly in the LC of Serbia. But, in addition to leaderships, the mobilization of educated, clever, and intelligent people needed to overcome the crisis is beginning to characterize the time we live in. Faced with problems and crises, it is logical to approach first of all our intelligentsia, our experts, competent people.

[NIN] You therefore favor the greater presence of university people in politics and public life than was the case in the past?

[Milosevic] I am aware of the criticisms addressed in the past to intellectuals, above all to university people and to the university in general, regarding their expert and intellectual activities. This criticism was made by some individuals in Serbia who were well below the educational level of those they criticized. Comparisons were made with some European and world intelligentsia, but they were arbitrary comparisons. I would say that they were made with some imaginary intelligentsia, because the criticism of our university professors came from some individuals who have never met foreign university professors, and were therefore not in a position to compare them with our professors. The disparagement of the best part of our intelligentsia was malicious and ugly. The intelligentsia that we have is ours and is our enormous and invaluable asset.

In addition, having worked in industry for a long time, I have travelled the "world" and discovered that we do not lag behind this "world" in brains, but in work.

[NIN] Sometimes one speaks about the conflict between the intelligentsia and the party. What do you think about it?

[Milosevic] I do not see this conflict as being topical. The possibility of it being provoked used to come, in my opinion, from some insufficiently educated politicians who felt repelled by educated people, in comparison with which they were mentally and professionally inferior. This intolerance by some politicians toward the intelligentsia was nourished and encouraged precisely by some people in the ranks of the intelligentsia who were professional and daily interpreters of every policy and adherents of any political team.

They possessed a kind of a universal ability to write reports for all politicians at all times. For years they were members and leaders of commissions in the LC and the SAWP and it seemed that they would sit on some editorial boards and publishing councils for the duration of their lives. They succeeded in presenting their undialectical, provincial knowledge of society, and of social and other sciences, as being scientifically up to date. In this way they rightly irritated many educated intellectuals, great experts in their fields, who ascribed the spiritual backwardness and incompetence of these "intellectual bureaucrats" to the LC.

Luckily we are facing a time in which many people with both general and professional education of a high level are entering politics, and they themselves are a part of the intelligentsia, so that they do not need any "special intellectuals" to interpret society for them, to write reports, annoy cultured people, and create confusion among people.

[NIN] What will be the main topic of the Serbian LC Conference? Why is it being held after the LCY Conference?

[Milosevic] The main topic of the conference will be reform. It is known that our commission for reforms has been working on a day-to-day basis. It is also known that at the LCY Conference the delegates from Serbia favored a reform of the entire society because a reform cannot be carried out in Serbia without corresponding reforms in Yugoslavia. Otherwise major changes could not be implemented. Since at the LCY Conference the delegates demanded an immediate introduction of reforms, we in the Central Committee of the LC of Serbia think that we can already see the first results of its introduction this fall. The Serbian LC Conference will also deal with our part of this job. The tasks are serious and complex and range from changes in the structure of the economy, social activities, to changes in the LC itself.

[NIN] The idea of a "state withering away" appears to have been just an illusion. How can a state wither away if thousands of self-managing interest communes emerge, with everything that that entails, if bureaucracy is becoming stronger? What kind of a state do people need in Yugoslavia today?

[Milosevic] Our state is withering away in the parts that should not wither away, and is becoming stronger where it should not become strong. On the one hand, calls are made for the abolition of the Army, while this security, this defense function of the state, is the last function that should wither away, especially when all the countries in the world are organized in the form of a state, when they have pretensions toward each other, and when in order to realize these pretensions, they have increasingly strong armies. On the other hand, the state is becoming stronger where it should in fact become weaker. Countless numbers of bureaucrats and institutions do not play any social role and do not benefit society at all. On the contrary, they consume time and money and create the impression that they work. And, of course, among the citizens, they cause justified revolt at a state that they identify with thousands of unnecessary and arrogant officials.

At this stage of our society's development, we need a state that will first wither away in terms of its auxiliary functions—functions that did not cause it to come into being—and only after that in terms of those functions that protect the interests of the workers class and those that were the reasons for the creation of the state. In any case, the speed and quality of the state's withering away will depend on the organization and readiness of society and citizens to take over the functions of the state. A state cannot wither away if its functions are not taken over by anybody else, or if its functions are taken over by incompetent organizations and individuals. The withering away of the state should therefore depend on society's abilities and on its own functions. Our state cannot be preparing itself to go to a museum while other states are preparing themselves for war.

[NIN] At its ninth plenum, the LC Central Committee started the very important social action of curbing and reducing administration. Is bureaucracy in socialism threatening to become a master instead of remaining a servant? How can bureaucracy, which operates through the system of "underground water," be successfully fought? Is the revolution against bureaucracy the most difficult form of revolution? How will the antibureaucracy program of the Ninth Plenum of the LCY Central Committee be further realized?

[Milosevic] The program will be successfully realized because we made the program to carry it out, and not to start it and leave it unfinished half way through. Everything that we have envisaged so far has been realized. In this first stage, considering that changes in the political and economic systems have not been carried through yet, we are only working on the physical reduction of the administration. For instance, we started with the Executive Council, which was reduced by a third. In a similar way we are reducing the number of those employed in other institutions and organizations, ranging from the republican administration to associated labor organizations' administration. In this context, the conclusions of the Central Committee of Serbia apply to all, including

the Central Committee itself. In the second stage, the economic and political reforms will reduce the number of regulations and institutions, and the currently huge and inefficient bureaucratic apparatus will be reduced. It will be replaced with a smaller, more efficient, and more competent apparatus, in any case, with a more modern apparatus that will correspond to the needs of society and the spirit of the present.

[NIN] The whole postwar history of Yugoslavia, at least as far as the political sphere is concerned, has been marked by terms such as "unitarianism," "nationalism," "separatism," and so forth. How do you understand these terms today? How do you explain their political role and their "functioning"?

[Milosevic] In socialism as a transitional period there are strong regressive tendencies. These are, above all, aspirations for the restoration of capitalism and bourgeois society and aspirations for the repetition of the administrative phase of socialism. Undoubtedly, all these aspirations that we branded as liberalism, anarcho-liberalism, statism, and dogmatism disturbed us. We were afraid that they would endanger our path to a socialism of the self-managing type. But in this justified and quite natural fear we exaggerated, in the sense that we often dealt with those things that we did not want, rather than the things that we did want. We insisted on what we were not in favor of, rather than on what we were in favor of. A society is not built through a struggle against something, but through a struggle for something. The strength of a society, class, and the party stems from their programs for development and the program's realization, and not from eternal fighting with opposite ideas and the exponents of these ideas. The present time is the right time for this kind of political behavior. By developing society in the economic, social, and cultural sense, we will demonstrate the superiority of this tenet, and it is logical that this tenet will enjoy the support of most people. The support for this socialist and self-managing tenet will also come from progress, if it is achieved. A hysterical struggle against the "enemy" is an inferior and weaker basis for a historic transformation of society, which socialism is supposed to represent in its essence.

[NIN] It is being increasingly said that those who have not been representing Serbia's interests sufficiently energetically and to the same extent as has been done in other republics, are responsible for the present situation in Serbia and for its lack of development. This is difficult to correct now, but it has to be done, and it would be better if it was done in a systematic rather than in an uncontrolled way. What should be done in this process?

[Milosevic] We should simply continue with this process in a resolute way. Serbia lags behind economically, but is not poor as regards resources. Among other republics Serbia has the longest tradition of statehood, but it is the only republic among other Yugoslav republics that does not have the basic rights of a state on its territory. This cannot go on any more. Serbia must pull herself out of its

economic backwardness and must constitute itself as a state, which is to say as a republic, regardless of its specific circumstances, in the same way other Yugoslav republics have done. Serbia did not take it onto itself to have two provinces in order to be a second class republic, in order to abolish itself. If the people have not seen this yet, than they should do so now. The people will not tolerate this.

[NIN] Some events, particularly the expression of national identity by Serbs, are often regarded as Serbian nationalism. Why are the terms national and nationalist easily confused in the case of Serbia? Is this a consequence of an old, Cominformist formula of permanently blaming Serbian people for unitarianism? It is known that members of other peoples, and not only Serbs, have also made historical mistakes and committed crimes to the detriment of Serbs and other peoples and nationalities. As can be seen today, Serbs are fighting, through constitutional changes, to put the SR of Serbia in the same position as other republics, and that Serbs and Montenegrins are emigrating from Kosovo under duress. Let us leave the past behind and look to the future only. Free, democratic, equal, and humanitarian Yugoslavia is the only Yugoslavia the Serbian nation wants to live in. What are the things in political and public life that should be removed or that should be explained better so that future misunderstandings and above all various forms of nationalism be curbed?

[Milosevic] I spoke about this several days ago at a Serbian LC session. I said that this should be repeated until this prejudice is removed. A struggle for the economic, social, political, and cultural interests of one nation that does not bring into the question the interests and dignity of other peoples, and is not nationalism, but patriotism. This is particularly true during a crisis.

But, I do not think that the interests of Yugoslavia's peoples and nationalities are in conflict anyway.

Some are economically more developed, some culturally, some historically. We were different in the past, but we also had strong aspirations to live together and they were expressed by progressive people in every nation. These aspirations finally united us in the socialist revolution, and Yugoslavia was built on them. I think that today, the common interest of the workers class of all our peoples and nationalities is to live in a socialist and united country. Nationalism is a cuckoo's egg planted into the Yugoslav workers class and all peoples and nationalities by the national bureaucracy and the remnants of, to use an old-fashioned term, the "class enemy."

[NIN] What in your opinion is the main condition for solving Serbia's current problems?

[Milosevic] Harmony. Harmony has always been Serbia's weakest point. Throughout their history, the Serbs were plagued by disharmony. Disharmony is the card we always lost on. What use were intelligence, courage,

resoluteness, heroism, devotion, and persistence when at the crucial times we always quarreled? We must overcome this unfortunate political tradition if we want to remain, become a nation.

Our fate, our future will depend on our harmony, and harmony will depend on us.

[NIN] At the LCY Conference one could see once again that the Kosovo tragedy was treated as Serbia's problem only, and not as the problem of the whole of Yugoslavia. Except for the delegates from Serbia, almost nobody else mentioned Kosovo or Serbia's republican-provincial dispute over the Constitution, which continues to make Serbia a strange and contradictory constitutional product. How do you explain Yugoslavia's indifference to Serbia?

[Milosevic] "Indifference to Serbia" regarding Kosovo was not seen for the first time at the LCY Conference. It has been present for some time, and had it not been for this indifference, the Kosovo problem would not have occurred. Although in the last few years some Serbian politicians did not express solidarity with their people regarding Kosovo, had there been more fraternal concern for Serbia's problems outside Serbia, Albanian nationalism would not have emerged.

But, I think that the exponents of this "indifference to Serbia" were some leaderships and some peoples. After the war, all our people felt they were a part of Yugoslavia. I can guarantee this as far as my generation is concerned. At the time, when we were at the university, when we took part in voluntary work actions, we did not know each other's nationality, and even if we did, this was of no consequence to us. If this spirit of Yugoslavism and fraternity had not been abruptly broken, I am convinced that the crisis would have not happened in Kosovo. Other Yugoslav peoples would not have allowed Serbs and Montenegrins to suffer so much in Kosovo.

[NIN] Is it possible that anyone could sincerely believe that the status of the autonomous provinces would be violated if a citizen of a province has the right of appeal to the Supreme Court of Serbia? Does this not make it official that the provinces are states?

[Milosevic] I do not think anybody believes in it, but some people say this because they believe that they can use this as an argument for the policy which they are carrying out exclusively for their personal, or in the best case, group interests. This too is a part of an attempt to make the provinces states. If this were accepted peacefully, Serbia would probably be the only nation in the world to agree to live in three separate states without physical force. And yet, they would not have been divided by international agreements, nor the armed forces, nor geographical location, but by themselves.

[NIN] As is known, Kosovo has one of the highest birth rates in the world. Higher even than Albania. This taboo topic has only recently become a subject of discussion. The birth rate is beginning to take on its special socio-political aspect. The people that live with ethnic Albanians are turning into minorities and are losing living space. Where could all this lead if something is not done?

[Milosevic] It could lead to the total emigration of Serbs and Montenegrins from Kosovo, especially if one considers the ever growing Albanian nationalism and separatism.

I am convinced that we shall overcome Albanian nationalism and that the Serbs and Montenegrins will remain in their land, and that others who have left that land but wish to return will be able to do so. I do not think that this will be solved by some imaginary historical justice that may save those who suffer, but I think that the present people, who live in this country now, will not allow this historical injustice.

[NIN] How do you interpret the long silence of the official Yugoslav, and particularly Serbian, policy on Kosovo? Has this silence not been one of the important reasons that the problem of Kosovo has been presented to an essential part of the international public in a completely upside-down way: The Serbs are the "guilty ones," the Albanians the "right ones," as if it was not Serbs but Albanians that are emigrating under duress?

[Milosevic] It is difficult for me to interpret this silence of the Serbian and other politicians on Kosovo. When the silence began, I was going to secondary school. As regards the Serbian politicians, I have said that they decided for silence over Kosovo so as to preserve their status in political life and their influence on that life.

As far as influence is concerned, it did not unfortunately apply to the policy concerning the interests of Serbia and Yugoslavia, but to the political and cadre moves made with egoistic, personal interests in mind.

The explanation of the situation in Kosovo in the foreign press depends on the views of the particular press. Sometimes this is a question of misinformation, sometimes of ill intentions. Among those who see Albanians as being persecuted, and Serbs as their persecutors, there are more of those who have ill intentions than those that are misinformed.

[NIN] If the provinces are not states, as it has been claimed, why are disputes over the question of security, foreign policy, the status of the Supreme Court of Serbia, and the status of the commands of the all-people's defense being persistently conducted?

[Milosevic] In my opinion, because parts of the provincial leaderships want the provinces to remain states, either in the near or distant future, but do not dare say

this directly, not to say crudely, as this would irritate other citizens of Serbia outside its so-called inner territory, as well as many other citizens in other republics.

This is why negotiations are being held to win some rights which, if won, will represent the basis for splitting Serbia into three independent parts, separate parts—in three states.

[NIN] It has been said, particularly recently, that the SR of Serbia favors reforms. What does this mean in practice, not only in the sphere of the economy, but also in the sphere of politics. Could a consistent, major economic reform be carried through without the necessary political superstructure?

[Milosevic] It cannot. This is why we in Serbia opted for a social as well as an economic reform.

[NIN] One often hear the slogan: "Socialism according to man's measure." What does this mean?

[Milosevic] If socialism is not made to suit people, than it is not socialism.

[NIN] Results in the economy and social relations have now been lacking for some years. How long can this go on?

[Milosevic] Not very long.

[NIN] Can we overcome the economic and social crisis and retain socialist relations?

[Milosevic] Yes, if we start on changes immediately.

[NIN] Instead of enterprises we have set up basic associated labor organizations. What do you think about this?

[Milosevic] With our reform we are trying to set up enterprises as the basic entities for business activities. Basic organizations are not capable of carrying through a modern development. Instead of market competition, these fragmented units were often creating competition within work organizations and in this way weakening their economic "tissue" and development potential.

[NIN] How does the economic crisis (unemployment, lowering of personal income, etc) affect productivity? What is the relationship between productivity and workers' incomes in our current conditions?

[Milosevic] This is a vicious circle. Falling productivity is deepening the crisis, while the prolongation of the crisis is adversely affecting productivity. In our country, the link between social, collective, and individual productivity on the one hand and personal incomes on the other, is very weak. The way out is to break with the tendency toward egalitarianism, in providing incentives, both positive and negative, in a better way of conducting

business affairs. Positive incentives imply an above-average personal income for an above-average job (this applies to both organizations and individuals), while negative incentives imply bearing all the economic consequences and responsibility.

[NIN] What is the relationship between inflation and unemployment in our country?

[Milosevic] These two phenomena are interrelated. Growing inflation should, as a rule, be accompanied by less unemployment, while growing unemployment should be followed by lower inflation. In our country, however, the situation is such that we have growing inflation and growing unemployment, a situation described by science as stagflation. The main reason for this are institutional and other forms of demand in our country. We lack the necessary conditions for an efficient use of all factors of production (labor, and social capital). This has resulted in growing unemployment, while inefficiency is being too easily transferred to the price of a product, which generates inflation.

[NIN] We can overcome the crisis only by using new development programs and new technologies (for which we need new capital investments). What is our ability to accumulate and apply new technology?

[Milosevic] One cannot overcome the crisis just by using new technology. The crisis can be overcome primarily through a successful, qualitative way of conducting business affairs, through better use of existing potentials (land, labor, social capital, and expertise). Of course, an up-to-date technology is an important component of the successful conduct of business affairs, but the reverse does not hold true. Without changes in the conditions for and methods of conducting business affairs, modern technology would produce poor results. This is why the reform is necessary. This is why we primarily aim at increasing accumulation through better business conduct and the use of the existing resources, and then, taking into account the increase in accumulation and new reformed business conditions, at making a fuller use of domestic and foreign technology.

[NIN] What is the essence of the economic reform for which Serbia, it appears, is more interested than others, and will the renaissance of an almost classical enterprise not endanger the basic self-management? Or will it stimulate it?

[Milosevic] In brief, the essence of the reform is to put the position of economic entities in the process of social reproduction in a more objective light. This equally applies to organizations, banks, trade, social activities, and sociopolitical communes. Putting these things in a more objective light relies on commodity production and the market instead the "consensus economy," political voluntarism, and subjectivism.

Objectively speaking, this would enhance the position of economic entities in our society and strengthen the real material position for the development of self-management.

[NIN] What in your view is the unified Yugoslav market, and how can it be achieved?

[Milosevic] The unified Yugoslav market is primarily a mechanism, the means for a more efficient way of conducting economic activities, and then a step toward joining the international divisions of labor. Moreover, it is a natural and logical way of overcoming administrative divisions which are the reason why at the threshold of 21 century we resemble the Europe of the middle ages, feudal Europe.

The fastest and the most effective way of creating the Yugoslav unified market is through the elimination of administrative regulations which are blocking or checking the market laws. Its logic will very quickly jump over all internal borders, and even borders with other countries. At the same time, the fear that the unified market is a screen for centralization and new forms of administration will disappear, and consequently the fear that the market will endanger socialism.

[NIN] The economy is the mirror of politics. How do our politicians see themselves in this mirror? Is an unstable economy compatible with a stable government and administration?

[Milosevic] I do not think that it is. But, if practice is the criterion of truth, then it is, because as you can see, in our country everything is possible.

[NIN] You were a banker for a long time and you were involved in international finance. Have you broken all your ties with this world?

[Milosevic] No, I have not. Many of my business contacts have become my personal contacts, just as is the case in other fields. I enjoyed working in banking very much because it required seriousness, responsibility, efficiency, and correctness in communication with others. I miss this work.

[NIN] Does social ownership provide the optimum economic conditions for conducting business activities?

[Milosevic] Yes it does, provided that distribution of money is done according to work. At this stage of our development, which is to say at this stage of the development of social ownership, social ownership has succeeded in presenting itself as a more just, but not the more efficient form of ownership in relation to private ownership. The efficiency of private ownership stems from the insecurity of the individual who works with somebody else's means of production and from the need of the individual to accept any work in order to secure his and his family's existence. Work with the publicity

owned means of production eliminates this fear and provides security even if the work is not producing any results. This is in fact the key problem that we have to solve. At this stage this security is therefore an advantage as well as a defect of public ownership. The application of the principle of distribution according to work will remove this defect in the future. The difference between the status of a man working with the publicly owned means of production and that of a hired laborer, which to say a man working with somebody else's means of production, is the difference between a free man and one who is not free.

[NIN] You said that there is no economic reform without social reform. What would be the basic prerequisites and contents of a social reform?

[Milosevic] In brief: The essence of our reform is that it must take into account the entire society. In the sphere of the economy, the reform must ensure that organizations rid themselves of administrative blockage which would in turn increase productivity and the standard of living. The principle of distribution according to work cannot be applied under the conditions of present poverty. In the sphere of politics, we will need to change the constitution of the SR of Serbia in order to constitute it as a republic. In addition, our state must be a modern, efficient, competent, and democratic state.

Reducing the big administrative apparatus, regulations, and institutions will relieve the economy and society, and will facilitate the redistribution of activities and employees to the area where these will be able to contribute to the development of society.

In the field of social activities, the aim of the reform is to improve their material position, and to radically increase their potential for producing greater results. In this respect, I think that the health services and higher education are in the worst position.

It will also be necessary to reform political life itself, above all the LC. The reform will start with the program itself, whose basic tenets must be adapted to the present time and our reality, and will move on to its organization which is deprived of a suitable mechanism for adopting and implementing decisions.

Cadre changes assume a logical demand that members of the LC as a political organization be those who accept its program and its statute. In addition, the LC and other political organizations will have to make great reductions in the number of experts who work in them, as well as the greatest possible deprofessionalization of the posts.

[NIN] You spoke about a large reduction of regulations and institutions. What do you think about associated labor?

[Milosevic] The term "associated" sounds ironic. This law introduced the greatest divisions, disintegrations, and disassociations that I know of. The law on associated labor should be rescinded.

[NIN] What does pluralism of ownership mean in our conditions? Will we aim at a harmonized combination of social and private ownership while retaining social ownership as the basis of this system. Can private ownership be complementary to social ownership provided that it is controlled by the law in order not to violate the character of socialist relations?

[Milosevic] I agree with you. The pluralism of ownership, in the sense of various ownerships having an equal status, is not possible. This would be equal to asking society to be socialist and capitalist to the same extent, or that a room be warm and cold at the same time. But, even if equally represented social and private ownerships were possible, this should not be allowed because it would endanger the interests of the workers class, and would bring socialism into question.

Let me be precise. Private ownership is not incompatible with socialism. It is possible to have it and socialism needs it, but only as one form of ownership whose forced liquidation or rejection for the so-called ideological reasons would not speed up, but could in fact slow down social development. But, the main form of ownership in socialism remains public ownership.

[NIN] Are social and private ownership in our country under the threat of fetishism? Would the way out of this contradictory situation regarding public and private ownership not be to regard them in the sense of "and-and," rather than "either-or"?

[Milosevic] Speaking about public and private ownership in our country, their relationship is not expressed through the terms "and-and," nor through "either-or." Public ownership is the main form of ownership. Private ownership is of secondary importance and can be developed up to a certain point provided that it does not threaten public ownership as the main form of ownership which determines the character of economic and other relations in society.

[NIN] It is known that a process of integration is well under way in the world, especially in West Europe. What process is taking place in our country, and how do you see Yugoslavia's position in the unified Europe in 1992?

[Milosevic] In order to join these impressive integrational processes we must first integrate ourselves. The basis of integrational processes in Yugoslavia should be the producers' economic interests for the transfer of labor, social capital, and knowledge across the country. This could be achieved only under the conditions of the market economy and the unified Yugoslav market.

As far as Yugoslavia's attitudes toward unified Europe are concerned, we must intensively prepare and adapt ourselves economically to the forthcoming economic-political situation in Europe after 1992. If the same is not done by the EC countries, none of them would succeed. This is also being done by other countries which want to achieve greater economic results through the integration of Europe. No prudent person would allow himself to be pushed by this process out of the orbit of relations with this powerful economic grouping.

[NIN] What is your optimism regarding the outcome of the economic reform based on?

[Milosevic] There are several reasons for my optimism. First, our development potentials are much greater than those that we have actually used. This means better conduct of economic activities and a higher standard of living. Second, the majority of Yugoslavs favor changes. Third, we have a clear and relatively complete concept of reforms. Fourth, we have foreign financial support for the reform, etc.

Moreover, my other reasons for believing in the successful outcome of the reforms are the practical, political, and ideological depletion of the existing system based on the "consensus economy," political voluntarism, and a deteriorating material situation which is reducing the room for maneuver for all those who want to postpone reforms, and the lack of a viable alternative concept. Of course, all this does not mean that the realization of the reform will be easy. On the contrary, I think that we are facing the time which will require much work and effort for the success of the reform because the reform will not implement itself. But, I also think that any other alternative is weaker than the reform.

'Disputes' of Serbia, Provinces Viewed
AU2107205488 Sarajevo OSLOBODJENJE
in Serbo-Croatian 19 Jul 88 p 2

[Snezana Rakocevic-Novakovic commentary: "Senseless Passions"]

[Text] If the awareness of an illness is a prerequisite for finding its cure, then the republican-provincial fever which has broken out after the Novi Sad demonstrations of Kosovo Serbs and Montenegrins is going to last a long time. The course of events which followed one another with hysterical speed, and the frightening political mobilization in Serbia and the provinces are far from the reasonable appeal that disputes should be solved calmly, in a reasoned way, and above all, with a cool head. Passions have "eaten up" reason and we attack each other like red ants, thus providing the grist for the mill of those who have been long attacking the AVNOJ [Anti-Fascist Council of National Liberation of Yugoslavia] bulwark.

It is very wise to avoid other people's bad experiences, and it is an evil fate when one forgets about one's own experiences, especially if they cost one as much as the latest fratricidal war cost us. It is completely clear (in this sea of unknown values, befogged syndroms, and the avoidance of clear assessments) that the sharp edge of the Novi Sad performance represents a drastic warning. There is also the media war in the Yugoslav arena, above all in the SR of Serbia, with intensive hotbeds and sparks flying along the Novi Sad-Belgrade-Pristina line. We have been so "crushed" by this crisis that we very rarely mention the achievements of our revolution which, watched from this point, seems so far away and unreal.

Kosovo is a great Yugoslav drama which has been a test of our conscience for the last 7 years. We would get mostly bad marks in this test, would feel it to be a drama, but would do very little to achieve the desired denouncement. Kosovo opened a new, even more violent drama in the sphere of intranational relations, a drama in which the national factor dominates over the class factor, and in which the call for national homogenization and national renaissance under our conditions can hardly avoid leading us into the dangerous nationalist waters. Our fathers had firsthand experience with the trap of absolutizing the national factor. Sensing this "heat," Franc Setinc, member of the LCY Central Committee Presidium, justifiably appealed that "passions should be overcome" in order to stop shooting ourselves.

Since the Kosovo people's visit to Novi Sad, events have been occurring one after another. They are difficult even to register, let alone comment on. Tempestuous sessions, announcements, the heavy artillery of words and bickering, newspaper headlines resembling destructive bombs, and grave accusations; all this on both sides and under the guise of necessity. "Events are produced by an unknown father, necessity is only their mother," an old French skeptic wrote. An unpleasant social reality seasoned with the muddle of aroused passions usually catches us unprepared and worried. What happens later resembles a pilot's confused order to "fasten your seat belts—we shall be waiting." Can we always wait for time to be the best arbiter and then worriedly, but only in the role of observers, wait to see what will happen? In our press, which is still the Yugoslav press, one can read the two sides of one truth: Belgrade—"This Is Factionalism and Separatism" and Novi Sad—"This Is an Attack Against Vojvodina."

Unity and good intranational relations have never been established in such a way, at least not in the postwar period. Dangers lurking behind the practice of fomenting the national factor are manifold. Therefore, not for a moment must we forget that if the Yugoslav community disintegrates, we shall all lose. Although it is Serbia and the provinces which should invest efforts and reasoning in order to arrive at a common stance, this is the joint destiny of the country. Nevertheless, the public justifiably expects much of the people at the helm of federal bodies. One expects that at the place where they all sit

together, reason should be given precedence, spirits calmed, and the heavy artillery of words stopped; although for some people that artillery has become incomparably more important than the assessment of what and how much has really been done about the Kosovo program and what is to be done tomorrow, as well as how one is to find constitutional changes that would be acceptable to everybody. The Kosovo drama is obviously the Yugoslav powder keg, so methods of defusing this bomb are very important indeed. The visit of Kosovo people to Vojvodina has demonstrated the importance of these methods. Some people have understood the visit to mean that "these people have found an unusual way to call attention to their troubles and to the fact that not everybody feels the same security at their firesides." Others saw it as the classical use of people as a method of pressure when the debate on constitutional changes is nearing its conclusion.

At its session last week, the LCY Central Committee Presidium assessed such gatherings and all forms of undemocratic pressure misusing the difficult position of Serbs and Montenegrins in Kosovo as harmful. It obliged the LC Central Committee Presidium of Serbia, as well as the Presidiums of the Vojvodina and Kosovo Provincial Committees, to immediately assess these events and their causes. They have done so and we have seen how they have done it. Will they mince their words more, use more cultivated political dialogue, and above all halt this meaninglessness that is curdling one's blood when they present these assessments at the federal level? We shall determine this from the report expected to be issued at the session of the LCY Central Committee Presidium.

Krekc Assesses Situation in Borovo Plant

AU2007101488 Belgrade BORBA in Serbo-Croatian
8 Jul 88 p 1

[Mirko Mlakar report: "There Is Hope For Borovo Organization"]

[Text] Belgrade, 7 Jul—Nenad Krekc, federal secretary for economic relations with foreign countries, today told BORBA and TANJUG that the Borovo combine, which employs more than 20,000 workers, can find a way out of the present crisis.

Commenting on the gathering of the Borovo workers in front of the SFRY Assembly yesterday, Krekc said that this composite associated labor organization can, together with other work organizations in the group, utilize its capacities better, and in this way improve its future prospects and increase workers' personal incomes.

Krekc said that this could be achieved, with the help of the republic and a broader social community, through a new market strategy and the rescheduling of current debts. By using modern technology and the modern organization of production, this combine, the giant of our industry, could overcome the difficulties it has recently experienced.

Yesterday, during the protest by several thousand Borovo workers, the name of Nenad Krekc was often mentioned in connection with this organization's problems. He personally appeared before the workers—he was their director for 8 years before being appointed a member of the FEC. At the beginning of this "meeting," one could hear both applause and protests, but at the end of the conversation the majority of the workers greeted their former director with notably synchronized applause.

Krekc did not reject the possibility of a 100 percent pay increase. However, he believed that the workers should first ask that conditions be created so that they could realize this increase through their work. As Krekc explained, personal incomes in the Borovo organization are calculated on the basis of the workers' daily production targets which directly depend on the workers' performance and the market demand.

Answering journalists' questions, Krekc said that he has always been ready to talk with Borovo workers despite the fact that he started to work in the FEC 2 years ago. But, he has never been invited to talks by the combine or by the commune.

Commenting on the striking workers' accusation that the roots of the present problems go back to the time when he was director, Krekc mentioned a series of facts that showed that the Borovo, as he said, was a successful organization at that time. He said that if anyone has counterarguments he is welcome to present them publicly.

Krekc remarked that after he had left, the plan envisaging a significant increase in production, exports, and incomes was altered. Of all this, only personal incomes were increased.

As far as some of the personal facts that were mentioned, Krekc said that they were gross inventions launched by a group of people. This refers to his car, holiday cottage, and an apartment. He also mentioned that some demonstrators said that he was related to Mikulic, that their wives are sisters. "I am related to Mikulic as much as I am related to you," Krekc answered.

Answering the accusations that the Borovo organization was using its already low revenue to help the Zagreb students games, Krekc said: "The combines' shops were collecting and paying tax to the federation, but according to the law, the funds that were realized through the sale of combines' articles that carried the sign of the student games were divided between the Borovo and the Student Games Organization Committee in the proportion of 30:70. The combine retained 30 percent to cover its costs. We did not give money to the student games. This money would have been paid to the federation anyway," Krekc said in a conversation that lasted several hours. Moreover, the claims that I set up a plant in my birth place, Odzaci, are also unfounded.

We asked Krekic, who had been the head of the Borovo combine for a number of years, whether there is a way out of the current grave situation.

We cannot allow hopeless situations. We had great difficulties in 1979 when the Puma firm, which bought 3 million pairs of shoes that year, reduced its order to 900,000 pairs the following year. This naturally led to stockpiling, but we reacted quickly. We sought a way out in restructuring the production, and found it in the production of ladies shoes, which were quickly sold in the Netherlands and the FRG, Krekic recalled.

Increasing production in all three of Borovo's sectors (footwear, tire, and metal sectors) is the only way to increase the workers' very low personal incomes. The reason for the presently low personal incomes lies in the fact that the workers are paid according to the number of articles produced, and when at the end of a month the number of articles is counted, it appears that—because of inadequate utilization—they have worked for only 15-16 days. Therefore the answer is in larger production: Every million fewer shoes produced means that a thousand workers become redundant.

Answering the question whether he would like to return to his previous position in Borovo, Nenad Krekic said that this would not be prudent for either side.

Diplomatic Ties With Morocco Restored

LD2107105288 Belgrade TANJUG Domestic Service in Serbo-Croatian 1022 GMT 21 Jul 88

[Text] Belgrade, 21 Jul (TANJUG)—As a sign of respect for the principles of the UN Charter and in their desire to advance and develop relations of friendship and cooperation between the two countries and to contribute to the strengthening of the Nonaligned Movement, the Federal Executive Council of the SFRY Assembly and the Government of the Kingdom of Morocco have decided to resume their diplomatic relations at the ambassadorial level as of 21 July 1988.

The two governments express a hope that this decision will stimulate mutually beneficial cooperation between their two countries.

Dizdarevic To Visit Nigeria 28-31 July

LD2107110188 Belgrade TANJUG Domestic Service in Serbo-Croatian 1024 GMT 21 Jul 88

[Text] Belgrade, 21 Jul (TANJUG)—Raif Dizdarevic, president of the SFRY Presidency, will pay an official and friendly visit to Nigeria from 28 to 31 July at the invitation of Major General Ibrahim Babangida, president of the Federal Republic of Nigeria.

During the visit, President Dizdarevic and his host will discuss ways to further advance friendly relations, especially in the economic sphere, as well as the current international situation and the activities of the non-aligned countries.